University of Alberta

Contextual Accountability: The Government of Alberta's Business Planning Framework

by

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Dedication

This dissertation is dedicated to my mother. I would never be where I am today without her support, unconditional love, generosity, and strength.

I love my mother as the trees love water and sunshine - she helps me grow, prosper, and reach great heights. ~Adabella Radici

Abstract

Although business plans have been in place for over a decade, little has been researched to assess to what extent business plans have actually influenced accountability. It is through the lens of traditional public administration, public choice theory, and new public management a series of interviews were examined and assessed to determine what definition of accountability was being used to determine if the business plans had an impact on some of the accountability relationships in the Government of Alberta. Overall, the dissertation argues that the business plans have tended to promote and privilege approaches to accountability supported by the new public management paradigm and public choice theory rather than the traditional public administration approach.

Specifically, there were three major themes concerning accountability relationships, the political-administrative dichotomy, and the contextual nature of accountability that arose from the research in this dissertation. It was found that the business plans influenced the accountability relationship between civil servants and government members more than the accountability relationship between government members and citizens. Related, despite the many arguments against using the traditional political-administrative dichotomy as the way to describe the relationship between government members and civil servants, all of the government members interviewed in this study stated that the business plans were a way to control civil servants and the policy agenda in government. In other words, business plans were a mechanism to ensure civil servants implemented the business plans in a manner that

reflected the government's goals and priorities, which supported the traditional political-administrative dichotomy.

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I also want to thank the members of my committee who have given their time to read this dissertation and for their suggestions and ideas on how to improve it.

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This dissertation would not have been possible without the cooperation of the interview participants and for this I am deeply grateful. I recognize that being interviewed in a political environment can be a risky endeavor and I appreciate the participants' willingness to share their expertise, experience, and knowledge. The interview process was a very mentally rewarding experience for me since I learned a great deal about accountability, performance measurement, planning, performance management, and the Government of Alberta in general. I hope I have relayed their words and experiences in a manner that demonstrates their expertise, creativity, knowledge, and their commitment to constantly looking at ways to improve how they manage, plan, and measure.

I was not only a graduate student during this time but I was also privileged to work with people who were active in the fields of accountability, performance measurement and management, planning, service delivery, environmental scanning, risk assessments, and evaluation. I want to thank my private sector and government colleagues for being role models and for sharing their knowledge with me. I want to especially thank Dr. Ian Montgomerie, Cathy Monson, Ian McCormack, Brenda Thibault, Al Kennedy, and Mike Harle for their support and encouragement.

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I would also like to thank my colleagues and the administrative staff in the Department of Political Studies and in the Dean of Arts office (especially Dean Richard Sigurdson) at the University of Manitoba for being supportive and patient in my endeavor to complete the dissertation. I would especially like to thank Dr. Paul Thomas, Dr. Marek Debicki, and Dr. George MacLean who have motivated, mentored, and supported me and with this, I look forward to working with you in the future.

I cannot express the gratitude towards my family and friends for putting up with me all of these years. In completing this degree, one gives up other aspects of their life and often working on this dissertation has been at the expense of my family and friends. There are many to thank but I would especially like to acknowledge Miriam Koene for her humor and support, Darryl McCarthy for being my listening board, Robert Groves for his unwavering support and encouragement, and Julie Tsatsaros for believing in me no matter how beleaguered I would get. I want to especially thank Al Kennedy for being so supportive and being a wonderful friend in the final months of the dissertation process. There have been many other people in my life who have given me that pat on the back when I needed it and for all of these friends, I am lucky and appreciative. I cannot express in words how thankful I am for the support I have received from my family and to Mom, Rob, Julie, and Tammy - I love and thank you from the bottom of my heart. And to my late grandmother, Simone Marie, I want to say that I appreciated her generosity and support because I could not have gotten where I am without her.

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Chapter One - Establishing the Foundation: Accountability and Business Planning in the Government of Alberta

1.0 Introduction

William Connolly has argued that "the language of politics is not a neutral medium that conveys ideas independently formed; it is an institutionalized structure of meanings that channels political thought and action in certain directions."[1] Like many terms in politics, accountability is a contested concept. There is no standard definition of accountability that is accepted by all jurisdictions or by all of the actors involved in the governing environment. Instead, accountability is defined, applied, and interpreted depending on the position one holds in the state or government, the political culture of the state, and the situation to which it is being applied to in government or the civil service. In other words, despite many attempts to find common ground, accountability is contested because the term is used in a highly politicized environment where power can be lost or won based on whether or not a government is perceived to be accountable. Further, in an era where there is increasingly more attention paid to restructuring the traditional accountability relationship between civil servants and politicians and between civil servants and citizens, jobs can also be lost if a civil servant is not viewed or deemed to be accountable.

In Canada, most of the public administration literature on accountability has focused on the federal government and little attention has been paid to accountability at the provincial or local levels of government. Not all levels of government in Canada have developed the same definition of accountability nor have they established identical accountability frameworks. Hence, what may be in place or work at the federal level does not necessarily mean it will be emulated or work at the provincial or municipal level. Indeed, when it comes to establishing accountability frameworks, some of the provinces have developed a more formalized and elaborate structure than the federal government. Specifically, much attention has been given to Alberta's efforts to establish and sustain an accountability framework where one of the most significant processes of this framework are business plans.

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[1] William Connolly, *The Terms of Political Discourse*, Third Edition (Princeton, NJ: Princeton University Press, 1993), p. 1.

Although business plans have been in place for over a decade, little has been researched to assess how and to what extent the business plans have actually influenced accountability. Further, although much has been written in general on the different definitions and interpretations of accountability, not enough attention has been paid to what definition the Government of Alberta used to support its accountability framework. Related, in measuring the success of its accountability framework, there has been little empirical research to determine if the Government of Alberta has actually improved accountability and relevant to this dissertation, whether or not civil servants, politicians, members of the media, and citizens believe business plans have influenced accountability. Yet it is not an easy task to determine if accountability has been influenced since we can expect the government to state that they have improved accountability, civil servants to remain neutral or be supportive of government because of fear of retaliation if anything negative is stated, and the opposition and media to be more critical of the government's claim that it has improved accountability given their traditional role of being critics of government. Further, any assessment tool developed by any of these actors to determine if accountability has been influenced by business plans would also likely be challenged by the other actors in terms of legitimacy and bias. Finally, since accountability is a contested term, different versions of accountability may be promoted or advocated by the many actors involved in the political environment further adding complexity and controversy to any analysis. It is also important to note that the development of an accountability framework is not an objective task since the government would be likely to only include components the government supports and goals and targets that could be fulfilled most of the time. Strategically, it would not make sense for any government to develop an accountability framework or assessment tool that would threaten their tenure of power.

Despite these challenges, this dissertation will critically assess the debate over the meaning and practice of accountability in the Government of Alberta during the first eight years of the Klein government. This dissertation examines if business plans have influenced accountability by determining what definition of accountability was being used and what the differences and similarities were between the different groups interviewed for this dissertation (when applicable). To provide context for this assessment, it is necessary to develop an understanding of the current theories and paradigms that were popular at the time the business plans were implemented. It is also essential to identify the predominant theories and paradigms that were in place prior to the changes made by the Government of Alberta in the early 1990s to determine how the definition, application, and interpretation of accountability has changed, if at all.

The traditional way of understanding accountability prior to the Klein revolution will be defined as the traditional public administration approach. The two theories or paradigms that will be examined in the dissertation that were popular at the time business plans were implemented are public choice and new public management. It is through the lens of traditional public administration, public choice theory, and new public management that the interview results will be examined and assessed to determine what definition of accountability is being used and when possible, to determine if the business plans had an influence on some of the accountability relationships in the Government of Alberta. Using this comparative theoretical framework will demonstrate the tensions, the complexities, and the paradoxes of accountability in the Government of Alberta. It will demonstrate that the business plans have tended to promote and privilege approaches to accountability supported by the new public management paradigm and public choice theory rather than the traditional public administration approach.

To empirically test the validity of how accountability is interpreted and applied in the Government of Alberta, the results of sixty-three elite interviews with people who were involved in the business planning process between 1992-1999 are examined in the latter part of the dissertation. The dissertation argues that because of the tension between traditional public administration, new public management, and public choice, determining if accountability in the Government of Alberta has improved, stayed the same, or been weakened, is contextual, contradictory, and contentious. Resolving if the Government of Alberta has improved accountability is as much a function of the subjective perceptions of government politicians, opposition politicians, civil servants, the media, interest groups, and citizens as it is of objective reality.[2] Despite the ongoing challenges of subjectivity and objectivity, the dissertation further argues that the establishment of business plans has influenced the accountability relationship between civil servants and politicians; however, there is little evidence to suggest that business plans have influenced the accountability relationship between the politicians and citizens or between civil servants and the public. Put succinctly, the efforts of the Government of Alberta to improve accountability through the establishment of business plans cannot be summarized as either political symbolism or as a successful, straightforward promotion of intrastate and extra-state accountability. The truth lies somewhere in between; a state of affairs the current public administration literature has not fully recognized, nor developed, but can be partially explained by exploring the principles of accountability in traditional public administration, public choice theory, and new public management.

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[2] Paul Thomas, "The Changing Nature of Accountability," *Taking Stock: Assessing Public Sector Reforms*, B. Guy Peters and Donald Savoie, eds. (Montreal: McGill-Queen's University Press, 1998), p. 349.

1.1 The Context - Background on the Klein Government

In December 1992, the Progressive Conservative Party in Alberta elected Ralph Klein to be its leader. In the following spring election, Klein became Premier of a provincial government that had been struggling to deal with its fiscal situation for the past ten years.[3] No longer was Alberta the rich province with annual surpluses that it had been in the 1970s; instead, the economic and fiscal boom went bust in the 1980s with the collapse of oil and grain prices and the implementation of the National Energy Program. Building on the recommendations made by numerous bodies,[4] the Klein government developed a mandate to eliminate government deficits through reducing the size of the public sector in terms of positions and services offered. Although Alberta's tax rates were the lowest in the country, the Klein government argued the fiscal problem was caused by too much government spending and hence, raising taxes was not part of their strategy to eliminate the deficits.[5]

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[3] Robert Mansell, "Fiscal Restructuring in Alberta: An Overview," *A Government Reinvented: A Study of Alberta's Deficit Elimination Program* (Don Mills: Oxford University Press, 1997), p. 16.

[4] Melville McMillan and Allan Warrack, "One Track (Thinking) Towards Deficit Reduction," *The Trojan Horse: Alberta and the Future of Canada* (Montreal: Black Rose Books, 1995), p. 134. Reports from the Chartered Accountants of Alberta, the Financial Review Commission, and from some economists in the Faculty of Business at the University of Alberta were taken into consideration when the Government of Alberta was developing a plan for reform.

In the early years of Klein's first term in office, the primary focus of his government was to reduce government spending substantially and swiftly. Targets to reduce government spending by 20% were established and implemented within the first two years in office. The Klein government also made changes to the planning, fiscal management, and reporting processes and established legislation to support greater accountability, transparency, and fiscal responsibility.[6] Described as the Klein Revolution, the restructuring that took place was intended to eliminate the deficit, reduce the size of the debt, and improve the overall management of government in order to become more efficient, effective, accountable, transparent, and results-oriented.[7] Exemplifying this reform effort, Jim Dinning, Provincial Treasurer during Klein's first term as Premier, argued that, "We want proof that our strategies are working and producing the results we want…spending money is no guarantee of results. Albertans expect that government resources will be directed to programs that work, that achieve the results we set out to achieve. And they deserve to have information so they can judge our actions and hold us accountable for the results."[8]

Sentiments such as Dinning's were not unique. In the 1990s, many other governments were facing the same financial problems as Alberta and were looking for ways to reduce government expenditures. One of the primary processes developed to assist the Government of Alberta in reaching these numerous goals was the business planning process. Many other governments also developed a system-wide planning model as a way to provide a coordinated and managed method to change government operations but Alberta was the first jurisdiction to develop and apply this particular planning model.[9] The process to establish business plans started in 1993 and by 1994, a government business plan, with business plans for each department as well as a plan for government as a whole, was formally included as part of the budgetary documents. Ideally, each departmental business plan was designed to identify a ministry's core businesses and desired outcomes, set objectives for policies and programs, provide an analysis of the relationship between outcomes and outputs for policies and programs, provide financial budgets and forecasts, and, establish performance measures to assess the performance of government. Further, a government-wide business plan was developed to provide overall direction and guidance to the ministries as well as provide a coherent and coordinated message of governing to the public.[10]

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[5] Mark Lisac, *The Klein Revolution* (Edmonton: NeWest Publishers, 1995), p. 89.

[6] Robert Mansell, "Fiscal Restructuring in Alberta: An Overview," pp. 16-17.

[7] There are numerous books that discuss the Klein Revolution in greater detail. Please see: Frank Dabbs, *Ralph Klein: A Maverick Life* (Vancouver: Greystone Books, 1995), pp. 116-124; Christopher J. Bruce, Ronald D. Kneebone, and Kenneth McKenzie, eds., *A Government Reinvented: A Study of Alberta's Deficit Elimination Program* (Don Mills: Oxford University Press, 1997); Don Martin, *King Ralph: The Political Life and Success of Ralph Klein* (Toronto, Key Porter Books Limited), pp. 105-115, 156-163; Mark Lisac, *The Klein Revolution* (Edmonton: NeWest Publishers, 1995); and Gordon Laxer and Trevor Harrison, *The Trojan Horse: Alberta and the Future of Canada* (Montreal, Black Rose Books, 1995).

The focus on improving the planning process to support deficit and debt reduction was also accompanied by the desire of the Government of Alberta to improve accountability. To demonstrate this commitment, a Government Accountability Act was

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[8] Department of Finance, Government of Alberta, "Results-Oriented Government: A Guide to Strategic Planning and Performance Measurement," (28 September 1998), p. 3.

[9] Evan Potter and Luc Bernier, "Introduction: Business Planning in Canadian Public Administration," in *Business Planning in Canadian Public Administration*, Luc Bernier and Evan Potter, eds. New Directions Series, Institute of Public Administration of Canada (Number 7, April 2001), p. 1.

[10] Alberta Finance, *Government of Alberta, Measuring Performance: A Reference Guide – Part 1* (September 1996), See, "Why Measure Performance?" http://www.finance.gov.ab.ca/publications/measuring/measupgu/guide1.html#thegov. Accessed 02 January 2006. When business plans were first established, the ministries developed their business plans and then the Executive Council developed the government-wide business plan. The timing has since changed and now the government-wide plan is developed first to provide guidance to the ministries when developing their departmental business plans.

enacted in May 1995. Specific to business planning, the Act stipulated that the Provincial Treasurer is to provide a consolidated government business plan on an annual basis and that the government business plan must include "the mission, core businesses and goals of the Government, the measures to be used in assessing the performance of the Government in achieving its goals, the performance targets set by the Government for each of its goals, [and] links to the ministry business plans."[11] In reference to the departments, the legislation requires that each ministry provide similar information required of the government as a whole but that each ministry also provide "a summary of the total revenue, expense and capital investment targets for the ministry, any other information the Treasury Board or the Minister considers appropriate, and links to the government business plan."[12] The Act also requires the Treasurer and ministers to provide consolidated annual reports comparing actual performance with desired results stated in their business plans. Finally, it requires the Finance Minister and individual ministers to sign accountability statements indicating that all policy decisions with material economic or fiscal implications were considered in preparing the report. Interestingly, this piece of legislation does not actually define accountability but does identify who the accountable organizations are and states to whom the business plans and annual reports should be made available.[13]

The definition of accountability used in Government of Alberta documents and that was referred to repeatedly by most of the vast majority of interview respondents from each of the interview categories was developed by the Office of the Auditor General

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[11] Government of Alberta, *Government Accountability Act*, Chapter G-7, Section 7.
[12] Ibid., Section 13 (3).
[13] Ibid., Section 16 (2) and (3).

(OAG).[14] According to the OAG, "accountability is an obligation to answer for the execution of one's assigned responsibilities."[15] Expanding on this definition of accountability, the OAG contends that the basic characteristics of a successful accountability relationship are setting measurable goals and responsibilities, planning what needs to be done to achieve goals, doing the work and monitoring progress, reporting on results, and evaluating results and providing feedback.[16] At its most basic, the OAG definition is ultimately both organizational and democratic in that the government is to hold itself accountable in both an extra-state and intrastate manner.[17] As we will see in the next chapter, the essence of this definition is rooted well in the literature on accountability since answerability is a value shared by traditional public administration, new public management, and public choice. Despite this similarity, the three theories and paradigms differ according to who should be answering to whom, the level of political control and monitoring, and the levers of liability (e.g. what should the consequences be if goals or targets are not met by civil servants). The OAG definition of accountability will be further discussed later on in the dissertation as it relates to traditional public administration, new public management, and public choice theory.

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[14] For example, see Department of Finance, Government of Alberta, "Results-Oriented Government: A Guide to Strategic Planning and Performance Measurement in the Public Sector," p. 5; Department of Finance, Government of Alberta, "Performance Measurement: A Reference Guide – Part One" (September 1996), section on Accountability Framework. Retrieved on 02 June 2006: http://www.finance.gov.ab.ca/publications/measuring/measupgu/guide1.html#account.

[15] Office of the Auditor General (OAG), Government Accountability, p. 1.

[16] OAG, Government Accountability, 1997, p. 4.

[17] See Appendix A for a graphic of the Government of Alberta's accountability framework. Department of Finance, Government of Alberta, "Measuring Performance: A Reference Guide, Part One," see Accountability Framework section. Retrieved on 02 June 2006: http://www.finance.gov.ab.ca/publications/measuring/measupgu/guide1.html#account.

1.2 Statement of Theoretical Focus

The theoretical foundation for the dissertation examines the definition, interpretation, and application of accountability as viewed by the traditional public administration paradigm, new public management principles, and public choice theory. It is necessary to compare public choice theory and the new public management paradigm with traditional public administration's understanding of accountability to identify the differences and similarities between these different perspectives and to determine what changes, if any, took place. While as stated earlier, there is not an accepted definition of accountability in government or public administration literature, when accountability was first formally used in Canada, the focus was on the relationship between civil servants and politicians with little attention paid to other types of accountability relationships. Specific to civil servants, it meant that they were "directly accountable only to political and administrative superiors, to the courts, and to any internal governmental authorities (e.g. central agencies) to which accountability is required by law or the administrative hierarchy."[18] The political-administrative dichotomy where politicians are supposed to develop public policy and civil servants simply implement what politicians tell them to do was the predominant guiding concept in what the accountability relationship should be like in this era.

The other part of the traditional accountability framework was that civil servants, as a requirement of anonymity, were expected to provide private, professional and honest advice to their Minister, take direction and implement the Minister and government's policies loyally and efficiently, and disengage themselves from any activity that may cause loss of confidence in the government.[19] As Donald Savoie notes, civil servants were "expected to be both independent and subordinate to elected officials and, as well, politically sensitive but not politicized."[20] Unlike today, prior to the 1970s, there was little discussion about the need for civil servants to become directly accountable to Parliamentary, legislative committees, or to citizens.

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[18] Kenneth Kernaghan and David Siegel, *Public Administration in Canada*. Fourth Edition (Scarborough: Nelson, 1999), p. 370.

For politicians, the emphasis in traditional public administration was that they were to be accountable to their leader, to the legislature, to the courts, and to citizens. The emphasis was on ministerial responsibility where the minister, for the most part, was expected to bear the brunt of any mistakes made in his or her department. If a serious error was made, it was expected that the respective minister would resign or be demoted in some regard. As will be discussed in further detail in the following chapter, this accountability relationship a minister had with his or her leader, the legislature, the courts, and citizens was seen to be the ideal type with reality showing that rarely did a minister resign because of a mistake made by a civil servant, a department's policy or administrative error. Instead, ministers tended to resign or were demoted for personal reasons. Specific to the accountability relationship between politicians and citizens, under traditional public administration, the only recourse citizens had to hold politicians accountable were through elections, through their elected representatives in question period or committees, and in serious cases, through the courts. Indeed, the interaction between politicians and citizens was limited and there were no plans or performance measures made available to the public so that citizens could monitor and evaluate a government's performance and promises.

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[19] Paul Thomas, "The Changing Nature of Accountability," *Taking Stock: Assessing Public Sector Reforms.* B.G. Peters and D.J. Savoie, eds. (Ottawa: Canadian Centre for Management Development, 1998), p. 364.
[20] Donald Savoie, *Breaking the Bargain: Public Servants, Ministers, and Parliament* (Toronto: University of Toronto Press, 2003), p. 3.

Finally, unlike today's political environment, characteristics of accountability such as responsiveness, transparency, liability, performance-oriented, and results-oriented were simply not part of the accountability lexicon prior to the 1970s.[21] Moreover, in evaluating a government's performance under the traditional public administration model, the focus was on reporting on inputs and outputs with the government focusing on its annual budget to provide information to the public on the government's expenditures and revenues. Prior to the 1970s, a government tended to be evaluated on its performance based on how much money was spent or saved and by how many services or programs were delivered to citizens instead of whether or not the goals of a policy were fulfilled. Despite the influence of public choice and new public management on the changing definitions or interpretations of accountability, the traditional public administration perspective remains important to understand how the interviewees assessed whether or not business plans influenced accountability. Further, the basic structures of government have not changed and hence, the traditional structures of our Westminster parliamentary system continue to have an influence on today's accountability environment.

Within contemporary public administration literature, new public management and public choice approaches have dominated since the 1980s where they became increasingly popular as a means to explain how and why governments make the decisions they do. Briefly, as this will be discussed at greater length in the following chapter, there is much debate about whether or not NPM can be even categorized as a theory[22] and hence, throughout the dissertation, the words paradigm and perspective tend to be used instead of theory. As Paul Thomas notes, numerous authors have argued that NPM "is not a unified and consistent set of principles, but rather an agglomeration of ideas about how governments should redefine their roles and change how they deliver services."[23] Indeed, there has been concern that NPM is more descriptive and prescriptive than explanatory. [24] In this sense, instead of offering an explanation on why changes took place, NPM is viewed to be primarily a prescriptive paradigm outlining how government ought to govern, manage, and operate. New public management has also seen to be a component of public choice theory in the sense that it focused on developing and formalizing a contract between civil servants and government members to outline roles, responsibilities, and reporting frameworks. Finally, new public management was also viewed to be part of or emanate from managerial theory in that there are good management principles and practices that are applicable and should be followed in any type of organization. In short, there is much debate to whether or not NPM is an ideology or a theory on its own or whether it is part of another theory or whether it is simply a description of some changes that took place in many countries around the world in the 1980s and 1990s. Given this debate, this dissertation will assume that NPM is not a theory or an ideology but instead a paradigm. It is a set of ideas and practices that guided some governments to implement certain business-like practices and principles to a government setting with the theoretical principles being driven by more established theories such as neo-liberalism, public choice, and managerialism.

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[21] There was some discussion of these and related concepts in the 1960s in the United States especially related to Planning-Programming-Budgeting Systems. For example, see Allan Schick, "The Road to PPB: The Stages of Budget Reform," *Public Administration Review* 26 (December 1966), pp. 243-258. In Canada, C.D. Howe was also viewed to be a political leader in Canada during WWII who focused on management characteristics typically associated with NPM. For further information on C.D. Howe's contributions, see: Robert Bothwell and William Kilbourn, *C.D. Howe: A Biography* (Toronto, McClelland & Stewart, 1979).

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[22] For example, see Christensen, T. and Laefreid, P. "New public management - design, resistance or transformation?: a study of how modern reforms are received in a Civil Service system", *Public Productivity & Management Review*, Vol. 23:2 (1999), pp. 169-193; Rhodes, R. A. W. "Different roads to unfamiliar places: UK experience in comparative perspective," *Australian Journal of Public Administration*, Vol. 57:4 (1998), pp. 19-31; Owen Hughes, *Public Management & Administration: An Introduction* (London: The MacMillan Press, 1994), pp. 74-87; Andrew Gray and Bill Jenkins, "From Public Administration to Public Management: Reassessing a Revolution?" in *Introduction to Public Administration: A Book of Readings*, J. Steven Ott and E.W. Russell, eds. (New York: Longman, 2001), pp. 37-58.

[23] Paul Thomas, "The Changing Nature of Accountability," p. 369.

Despite this controversy surrounding the term, NPM has been a popular way to describe many of the changes that took place in western-industrialized countries during the late 1980s and 1990s. For example, NPM is a concept that has categorized such changes as the decentralization of government services, business techniques being adopted by government, an increased focus on results instead of inputs and outputs, more stress on discipline and frugality in resource use; and more competition being introduced in government concerning internal markets and term contracts.[25]

One of the most popular areas of focus in NPM literature has been on the need to make government more accountable. Specific to the accountability relationship between civil servants and politicians, Christopher Hood notes that NPM advocates a change from the traditional anonymous civil servant to a more publicly visible senior level of management in the public sector. Related, he further argues that NPM supports clear lines of responsibility rather than a diffusion of power amongst civil servants, politicians,

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[24] See Michael Barzelay, *The New Public Management* (Berkeley: University of California Press, 1992); E. Ferlie, A. Pettigrew, L. Ashburner, and L. Fitzgerald, *The New Public Management in Action* (Oxford: Oxford University Press, 1996); D.F. Kettl, *The Transformation of Governance: Public Administration for the Twenty-First Century* (Baltimore: John Hopkins University Press, 2002).
[25] Christopher Hood, "Contemporary Public Management: A New Global Paradigm?"

and other government actors (i.e. agencies, contractors, other levels of government) that was more prominent in the traditional public administration era.[26] Peter Aucoin also notes that in many western industrialized countries another component of NPM has been the "insistence that the state apparatus, as constituted by the permanent bureaucracy, be responsive to political leadership."[27] Indeed, much of the NPM literature has stressed the need for civil servants to become more accountable either to Parliamentary committees, politicians, or to citizens. Although the need for politicians to control civil servants has been an ongoing theme in public administration literature, the structural and procedural reforms that NPM supports "is unprecedented in the formal separation between policy making and service delivery."[28]

The traditional accountability relationship between civil servants and government members remains important for NPM supporters but other accountability relationships have also received attention. One of the most significant changes from the traditional public administration literature to the new public management literature has been the focus on the accountability relationship between the state and citizens. While the traditional administration era certainly recognized the relationship between citizens and the state, in the 1980s, many governments began to restructure the accountability relationship to emulate the business environment. Many governments began to use words such as 'client' and 'customer' instead of citizen to describe the relationship

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Public Policy and Administration, Vol. 10:2 (Summer 1995), pp. 104-117; Christopher Hood, "The 'New Public Management' in the 1980s: Variations on a Theme," *Accounting, Organizations and Society*, Vol. 20:2/3 (1995), pp. 93-109.

[26] Christopher Hood, "The 'New Public Management' in the 1980s: Variations on a Theme," *Accounting, Organizations and Society*, Vol. 20:2-3 (1995), pp. 96-97.

[27] Peter Aucoin, *The New Public Management: Canada in Comparative Perspective* (Montreal: Institute for Research on Public Policy, 1995), p. 6.

[28] Linda Kaboolian, "The New Public Management: Challenging the Boundaries of the Management vs. Administration Debate," *Public Administration Review*, Vol. 58:3 (May/June 1998), p. 190.

between themselves and the people they represent. Many governments were also experiencing a diminished sense of trust from citizens and hence, efforts were made to improve the information given to citizens to thwart any sense of 'smoke and mirrors' or corruption. In response to this lack of support and trust, many governments began to focus on ensuring performance, control, and accountability and providing services that were responsive to clients' needs.[29] In this sense, under the NPM model, accountability between the state and citizens became more visible, formalized, business-like, and controlled.

While much has been written about NPM from a prescriptive perspective, there has been little research on finding evidence to determine if NPM strategies actually lead to the desired results it advocates, including increased accountability.[30] Numerous authors have stated that the effects and implications of NPM are not easy to measure because the relationship between cause and effect is difficult to determine, the indicators of effectiveness and efficiency are often vague and subtle, side effects are difficult to track and monitor, and overall, the methodology used in evaluating NPM has been viewed to be insufficient.[31] Although NPM may be challenging to assess for a variety of reasons, it is important to conduct research on the influence of NPM in this dissertation to determine the relevance, success, and scope of this paradigm on the business planning process.

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[29] Simon McInnis, "New public management: Just a "fashion model on the runway"?" *Canadian Public Administration*, Vol. 44:4, (Winter 2001), p. 492.

[30] See: Paul Thomas, "The Changing Nature of Accountability," p. 369.

[31] For further information, see: J.J. Hesse, C. Hood and B.G. Peters, eds. *Paradoxes in Public Sector Reform* (Berlin: Duncker & Humblot, 2003); P. Keraudern, P., and H. Van Mierlo, "Theories of Public Management Reform and Their Practical Implications," In T. Verheijen and D. Coombes, eds., *Innovation in Public Management* (Cheltenham, England: Edward Elgar, 1998).

In this dissertation, NPM will be explored in the context of examining how it has defined and interpreted accountability. The analysis will also focus on certain NPM characteristics such as reporting, performance measurement, control, and transparency to develop a broader understanding of the influence of NPM on accountability. This dissertation contends that the new public management literature, for the most part, sees the role of accountability as simply a procedure governments follow to improve performance, and as a result, utilizes a conception of accountability which is simply too narrow to fully explain the influence of the business planning process on accountability in Alberta.

Similar to new public management, public choice theory fares no better in terms of providing a complete explanation on how accountability or accountability relationships were influenced by the business planning process; however, it can provide a partial explanation. At its core, public choice theory views human behavior as being self-interested and all human interaction is based on this premise. When applied to a public sector environment, this theory argues civil servants may be concerned with the common good, but they are primarily interested in maximizing their own utility by expanding their own or their department's budget and influence.[32] Central to this idea is that civil servants promote their own self-interest without taking into account or deliberately sabotaging the direction or goals of the elected representatives. As numerous authors have argued,[33] the result of this self-interested behavior is the expansion of the state for the sole purpose of maximizing individual or group (e.g. department) power.

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[32] For example, see: Patrick Dunleavy, *Democracy, Bureaucracy, and Public Choice: Economic Explanations in Political Science* (Brighton: Longman, 1991), pp. 203-205 and L.E. Lynn, "The Budget Maximizing Bureaucrat: Is there a Case?" In A. Blais and S. Dion, eds. *The Budget Maximizing Bureaucrat: Appraisals and Evidence* (Pittsburg: University of Pittsburgh, 1991).

To counteract this self-interested and budget-maximizing civil servant, public choice theorists have put forward numerous solutions many of which are analogous to what NPM advocates would recommend. In this sense, public choice theory is not only explanatory but in many cases, also prescriptive. For example, similar to NPM supporters, some public choice theorists have argued there should be a separation between the advisory, regulatory and delivery functions of the state sector to counteract pockets of self-interest. Further, the public service should adopt a more entrepreneurial approach to delivering services and where possible, services should be contracted out or privatized with the intent, again, to reduce or eliminate the effects of self-interested behavior. Public choice theorists also advocate for more central control processes because of the recognition that the political environment is embedded in self-interest and power. Accordingly, the public sector environment is viewed to be a risk adverse workplace where there should be many oversight agencies and processes to control the decisions and actions of civil servants and politicians. Finally, some public choice theorists have argued that clear lines of accountability, incentives, and sanctions should be put in place to align the interests of 'agents' with those of their 'principals.' As Donald Kettl has argued, "because most government agencies and programs are monopolies, managers had little incentive to manage better. The only way to improve government performance…was to change the incentives of government managers by subjecting them to market forces."[34]

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[33] For example, see D.G. Hartle, *A Theory of the Expenditure Budgetary Process* (Toronto: University of Toronto Press, 1976), pp. 11-36; W.A. Niskanen, *Bureaucracy and Representative Government* (Chicago: Aldine-Atherton, 1971); W.A. Niskanen, "Bureaucrats and politicians" *Journal of Law and Economics,* Vol. 18 (1978) pp. 617-643; W. Orzechowski, "Economic Models of Bureaucracy: Survey and Evidence," In T.E. Borcherding, ed., *Budgets and Bureaucrats: The Sources of Government Growth* (Durham: Duke University Press, 1977).

Given this, public choice theory dictates the implementation of business plans as a mechanism to control civil servants' behavior and thereby freeing politicians to effectively represent their constituents. Interestingly, public choice and new public management both address the "problem" of the self-interested public servant. In particular, NPM can be seen as providing the basis for overcoming the problem of self-interest amongst civil servants. To ensure civil servants address the directives given to them by their elected representatives, NPM advocates that performance measures and targets be established, business plans and accountability mechanisms be put in place, and that performance-based pay be implemented. Furthermore, public choice theorists tend to advocate that mechanisms need to be put in place to thwart the inherent self-interest civil servants have. The interview results demonstrate that public choice theory can contribute to better understanding the accountability relationships in the Government of Alberta, especially between civil servants and government politicians. Public choice theory can also assist in better understanding the types of performance measures and targets chosen as will be further discussed in chapter five.

Given the Klein government's need to direct and control the bureaucracy, it is also important to understand and recognize the deliberate attempt to develop and transmit a message to citizens and to civil servants through the development of a business planning model and to a larger extent, an accountability framework. As Schattschneider has argued, "organization is itself a mobilization of bias"[35]and in this case, the Klein government developed a controlled and formal process to transmit the goals, strategies, and measures of the government. Furthermore, through the use of controlled stakeholder consultations, the Klein government was able to further manage and manipulate the policy agenda and what the priorities should be for the Klein government. In this sense, the business planning process is not to be necessarily viewed as a rational process but a deliberate attempt by the Klein government to control and manage the bureaucracy, citizens, and in general, the policies and priorities of the government. A further examination of public choice and new public management theories and how these ideas have been applied in the Government of Alberta pertaining to the business planning process will take place in the following chapter.

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[34] Donald Kettl, "The Global Revolution in Public Management" Driving Themes, Missing Links," *Journal of Policy Analysis and Management*, Vol. 16:3 (1997), p. 448.

The second part of the analysis will examine interview results from key players involved in the business planning process from 1993-1999 based on how accountability is defined and interpreted by traditional public administration literature, the new public management paradigm, and public choice theory. In this sense, this is where theory becomes integrated with the application of accountability mechanisms, which in this dissertation is the business planning process. Politicians, civil servants, media people who covered the Government of Alberta during this time period, and business people who were involved in providing advice to government about business planning were interviewed to gather information. Numerous questions were asked during the interview process; however, the primary theme was to explore the relationship between business plans and accountability.

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[35] E.E. Schattschneider, *The Semisovereign People: A Realist's View of Democracy Everywhere* (Orlando, Fl.: Harcourt Brace College Publishers, 1975), p. 30.

1.3 Methodology

Little has been written about the business planning process in any level of government in Canada. Given this dearth of analysis, the principal means of gathering information for the dissertation was through a series of elite interviews with politicians, civil servants, members of the media and persons in the private sector who were in some manner affiliated with the Klein revolution and specifically, with the business planning process.[36] Elite interviews are defined as a method of interviewing people "who require individualized treatment in an interview."[37] Jarol Manheim and Richard Rich further comment that their elite status does not necessarily depend on their role in society; instead, it depends on their access to information.[38] Through the interview process, information about business planning process was obtained that was not available in any other form. Elite interviews enabled interview participants to give their unique perspective on the role they played in the business planning process and to comment on the influence this process had on accountability. A survey was not deemed to be a suitable research instrument because of the complexity of the subject, the lack of statistical validity due to insufficient numbers in each of the interview categories, the inability to ask follow-up questions for clarification, and the political nature of the topic. The Research Ethics Board at the University of Alberta approved the ethics form that was submitted for this project.

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[36] See Appendix B for a list of those who were interviewed for this dissertation.
[37] Jarol Manheim and Richard C. Rich, *Empirical Political Analysis: Research Methods in Political Science,* Fourth Edition (White Plains, New York: Longman, 1995), p. 162.
[38] Jarol Manheim and Richard C. Rich, *Empirical Political Analysis*, p. 162.

The interviews covered a wide range of material focusing on general themes related to accountability and business planning.[39] The intent of the interview process was to determine how business planning affected accountability relationships. The type of interview that was used during this study is typically categorized as being semi-structured interviews where there were a number of predetermined questions that were asked of each participant.[40] This type of interview allowed me to ask a set of standard questions but it also allowed me to ask further questions depending on an individual's response, expertise, and experience. Given this approach, the interview questions differed somewhat according to each individual's experience and knowledge. There were questionnaires developed for each specific group and in some cases, specific questions were developed for an individual who held a unique position. For example, a person from the private sector who was a representative on the Financial Review Commission would have a different experience and knowledge base than a person who worked in the Alberta Public Service in a planning position. Further, an elected representative of the Progressive Conservative government would have had a different perspective on accountability compared to a member from the opposition parties. Even members of the Progressive Conservative Party would have had different perspectives depending on whether or not they were in government prior to Klein winning the party leadership or if they served as a 'backbencher' or a Minister in the Klein government.

It is also important to identify the other variances amongst the interview responses. For example, not all participants were able to answer each question because they either did not have the expertise or work experience to comment on a particular question. The interview instrument was also revised to respond to the length of time that was available for each interview. The interviews ranged from twenty minutes to four hours and, in some cases, those who were interviewed early on in the process allowed me to conduct a follow-up interview. Hence, for the longer and follow-up interviews, more specific questions could be asked and the answers were often more in-depth as well.

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[39] See Appendix C for an outline of the interview questions.

At the outset of the interview process, it was necessary to choose a sample of government departments to examine since it was felt that studying each department was not vital to develop an understanding of the relationship between business plans and accountability. To narrow the scope of the research, I focused on nine ministries within the Government of Alberta: Family and Social Services, Health, Energy, Executive Council, Transportation, Intergovernmental and Aboriginal Affairs, Treasury, Labour, and Justice.[41] These ministries were chosen to reflect the diversity and complexity of government services, the variance of budgets (big budget versus small budget), the physical size, and the structures in place to support the business planning process in the Government of Alberta. After the reorganization in June 1999, some of these ministries remained intact, while others changed in name and scope. Finally, others have been splintered and the different parts amalgamated into other ministries. Given this reorganization, the dissertation will study the business planning process from 1993 to 1999 with some comments on recent changes related to accountability and business planning being addressed in the final chapter.

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[40] Bruce Berg, *Qualitative Research Methods for the Social Sciences*, Fifth Edition (Boston: Pearson Education, 2004), p. 81.

[41] Interviews were conducted prior to and shortly after the Klein government restructured the ministries in June 1999.

Overall, sixty-three people were interviewed and four participants were interviewed twice given their expertise and experience in the business planning area and most of all, their willingness to be interviewed for longer periods of time than other interview participants. Most of the interviewees expressed their willingness to have follow-up interviews given the importance of business planning and accountability in government and their overall interest in the topic. Almost every interview was conducted in person[42] and each interviewee was informed that the results of the interview would respect the anonymity of the respondent in the main body of the dissertation. Given this discretion, the respondents are categorized according to the following positions: government members (retired and current Progressive Conservatives), opposition (Liberals and New Democratic Party), executive civil servants (deputy ministers and assistant deputy ministers), senior civil servants (business planners, executive directors, performance measurement analysts, etc.) media, and individuals within the private sector (see Table 1 for the legend).

Table 1: Legend for Interview Participants

Position of Participant	Category
Government member (MLA - current or retired)	Government member
Opposition (MLA - current or retired, political staff of opposition party)	Opposition member
Deputy Minister or Assistant Deputy Minister	Executive civil servant
Any position below an Assistant Deputy Minister – e.g. Executive Director, Director, Senior Manager, Manager, Coordinator, Analyst, Political Staff	Senior civil servants
Media	Media
Private sector	Private sector

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[42] One member of the government was not able to provide an in-person interview; however, the individual sent a written response to the interview questions.

For those individuals that did not stay in the same position between the period 1993-1999, the position that related most to their business planning experience was used as a category.

Most of the interviews were taped (with permission from the interviewee) and were transcribed with the requirement that the interviewer be the only individual who had access to the transcriptions. In terms of organizing and evaluating the vast amount of information, all responses were organized according to the question that was asked. This information was then organized according to what position each individual held according to the previously stated categories. Common themes were then identified amongst and between the different interviewee categories. A content analysis approach, in its strictest form, was not deemed to be a valid or appropriate method to assess the interview results. For example, using software that would calculate the number of times words such as accountability, control, or measurement were used does not provide the reader any useful information. For a study of this nature, there is a need to understand the context in how, why, when, and by whom the words were used. If, however, a broader definition of content analysis is used where it is defined as "any technique for making inferences by systematically and objectively identifying special characteristics of messages,"[43] then a content analysis can be said to be used in analyzing the interview results.

It is important to note that in any research study, it is impossible to eliminate all elements of bias; however, there are ways to reduce bias. To reduce my own personal biases, when possible, interview comments in the dissertation represented the exact wording of the interview respondent and the interview categories that were developed effectively represented the main themes of the interview results and there was no deliberate inclusion or exclusion based on my own personal biases.[44] To address the biases that may present themselves in a study that is inherently political and that relies heavily on elite interviews, there was a deliberate effort to conduct a significant number of interviews to identify main themes amongst the interviewee comments. This approach is similar to a well-known study conducted by Judith Gruber. As Gruber notes in her study of civil servants and bureaucratic change, she is not "trying to assess the validity of the positions bureaucrats take. Rather, I am trying to understand in detail what their perspectives are."[45] While some may express concern about the veracity of interviews conducted in a political environment, in reality, any interview or any research method could be questioned in regards to its veracity in any type of environment. Yet similar to Gruber, this study was not to determine how 'truthful' the interviewees were in their comments; instead, as mentioned before, the purpose of the interviews was to determine the interviewees' perceptions and perspectives of accountability, business planning, and performance measurement in the Government of Alberta.

To provide context to the analysis of business planning and accountability, an examination of previous work conducted on this topic takes place throughout the dissertation. Although not much has been published specific to this topic, there are many sources that have critically examined accountability and a few that have studied the business planning process in the Government of Alberta. On a broader scale, the

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[43] Bruce Berg, *Qualitative Research Methods*, p. 267.

[44] For additional information on content analysis, see O.R. Holsti, "Content Analysis" in G. Lindzey & E. Aaronson, eds., *The Handbook of Social Psychology* (Reading, MA.: Addison-Wesley, 1968); Bruce Berg, Qualitative Research Methods for the Social Sciences, Fifth Edition (Boston: Pearson, 2004), pp. 265-295; and Earl Babbie and Lucia Benaquisto, *Fundamentals of Social Research* (Scarborough: Thomson Nelson, 2002), pp. 285-295.

theoretical foundation of the dissertation examines how traditional public administration, new public management and public choice theory assists in explaining the different types of approaches to accountability and how these different perspectives related to the interview findings. Hence, a secondary analysis of sources related to business planning, accountability, performance measurement, new public management, and public choice are used throughout the dissertation to provide a theoretical context and comparative aspect to the study.

1.4 Structure of Dissertation

This dissertation is organized into six chapters. The first chapter introduces the topic, explains the methodology, and outlines the structure of the dissertation. The following chapter provides a theoretical foundation to the dissertation specifically looking at the traditional public administration literature, public choice theory and the new public management paradigm. As noted earlier, this section provides the theoretical framework for the analysis of the elite interviews.

The third chapter begins to look at the interview results and focuses on why business plans were implemented in the Government of Alberta. One of the questions asked in the interviews was why did the Government of Alberta implement the business planning model. The responses to this question were then categorized to demonstrate the different reasons why the plans were implemented. The responses will also be compared to what traditional public administration, new public management, and public choice theory have stated concerning planning instruments and accountability in government.

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[45] Judith Gruber, *Controlling Bureaucracies: Dilemmas in Bureaucratic Governance* (Berkeley: University of California Press, 1987), p. 89.

In the fourth chapter, the interview results are further examined and specifically discuss the influence of the business planning process on accountability relationships. As noted earlier, the two accountability relationships that are examined in this dissertation are the relationships between civil servants and politicians and between the government and citizens. This chapter demonstrates that the business planning process had an influence on the accountability relationship between civil servants and politicians in the sense that business plans acted as a control procedure to improve accountability. Yet there is little evidence to suggest that the accountability relationship between politicians and citizens has changed or been significantly influenced by the establishment of business plans.

Chapter five focuses on performance measurement and examines the traditional tools of measurement and the new methods of measurement within the context of business planning. Based on the interview results, this chapter examines the strengths and weaknesses of performance measurement in relation to accountability in the Government of Alberta. No definition of 'strength' or 'weakness' was given to a participant; instead, each participant, according to their position and role in the business planning process, determined what each term meant. Interview participants were also asked to comment on the strengths and weaknesses of the Government of Alberta deciding to have the business plans made available to the public. Central to this analysis is the examination of how performance measurement and public business plans influence accountability or the definition of accountability in the Government of Alberta. Overall, this chapter demonstrates the complexity to implementing business plans and performance measures in government as the majority of interview respondents found there to be both negative and positive effects on accountability relationships. Similar to previous chapters, this chapter will also identify how traditional public administration, new public management, and public choice have discussed and analysed performance measurement as it relates to accountability.

Finally, the last chapter contains a summary of the interview findings concerning business planning and accountability relationships in the Government of Alberta. Since the interviews took place in 1999, a brief synopsis of changes the Government of Alberta has made to its business planning process also takes place in this final chapter. The chapter concludes by identifying the similarities and differences between traditional public administration, new public management and public choice in the areas of business planning, performance measurement, and accountability.

1.5 Significance of Dissertation

With the intention to improve efficiency, service delivery, accountability, or the democratic deficit, many governments around the world are continuously seeking ways to reform their processes, policies, and structures. While much has been written about New Zealand, Australia, Britain, the United States, and Canada and their efforts to reform, little has been written about the state or provincial levels of government. In general, the focus for most studies on public management has been at the federal order of government with little attention paid to the other levels of government. One of the most important contributions of this dissertation to the field of public administration will be an analysis of the business planning process in a provincial jurisdiction. To better understand governing, managing, and administrative processes within the Canadian provinces, it is important to understand how the political culture of a province and the political ideology of a government can influence the administrative processes and structures in the provincial governments. Case studies, such as this one on Alberta, will contribute to the dearth of information on public administration in the provinces and will also act as a case study that researchers can compare with other provincial jurisdictions in the future.

Further, little has been written about the business planning process in general and it was not until 1998 that the Institute of Public Administration of Canada (IPAC) released a document discussing business planning in different jurisdictions in Canada. IPAC also argues that despite this initial study, much more research needs needed to be conducted in the area of business planning including:

> ...effectively separating different planning stages; identifying appropriate outcomes and objectives at various planning levels; improving performance measurement; improving business planning as a tool of integration, effectiveness and accountability; and, a consideration of the steps that might be taken to foster a sense of common commitment to business planning across departments and governments and mutual trust among those involved.[46]

The dissertation is thus an important contribution to the field of public administration because it discusses reasons why the Government of Alberta decided to implement a business planning process and studies the influence of business plans on accountability relationships.

Another contribution of this dissertation is the identification of the different types of plans that are used in government. While there is some literature on strategic planning and other types of plans within a government setting, there is little critical analysis on why certain planning models are chosen, on the relationship between different plans within an organization, and on the influence these plans have on government decisions, managing practices, and accountability relationships. Furthermore, building on previous themes, there is also very little research conducted on planning at the provincial or territorial level so with this dissertation, it is hoped that the research will contribute to this area as well.

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[46] The Institute of Public Administration in Canada, "Business Planning in Canada: A Review," Agenda, Edmonton Roundtable (6 November 1998).

Related to business planning are numerous areas of studies, such as performance measurement and performance reporting, which are increasingly being explored by the academic community. As a public management tool, performance measurement is generally recognized as a means to increase transparency (if publicly reported), improve accountability, improve program planning and decision-making, and support funding requests to central agencies. Currently, there is a much interest in performance measurement, with many governments having already developed performance measures to assess and monitor their performance. Moreover, in Canada, there is now a national organization, Planning and Performance Exchange, which encourages its members to share information and experience in planning, measuring, reporting and managing for results.[47] Hence, this dissertation is intended to contribute to not only research on accountability and business planning, but other related areas studied in public administration and used in government.

Finally, throughout the history of public management, there have been numerous recommendations put forward by a variety of actors to improve how the public sector manages, plans, delivers its services, and communicates to its citizens. Proposals have been made in response to changes in the economy, changes in political leadership, shifts in values and beliefs about the appropriate role of state intervention, and finally, in response to external management trends. One of the most persistent themes on why government should change is the need to be more accountable. There are a myriad of accountability relationships that have received extensive scrutiny over the past two decades and numerous arguments have been made that there are a variety of actors that need to become more accountable. For example, in the last twenty years, arguments have focused on the need for politicians to become more accountable to oversight agencies and officers and to citizens at large. Moreover, in the past fifteen years, more attention has been paid to the need to improve accountability relationships between arms-length government agencies and their respective Minister, oversight agencies and officers, the legislature, and the agency's clients. Recently, arguments have been put forward that civil servants need to become more accountable to their Ministers, to Parliamentary Committees and directly to citizens. Kenneth Kernaghan and John Langford argue that, "a persuasive argument could be made that accountability has been the dominant administrative value over the past fifteen years and is likely to remain so for the foreseeable future."[48] Despite the considerable attention paid to accountability in the public sector over the past several decades, governments are still searching for policies, processes, and structures that will ensure accountability. Hence, it is hoped this dissertation will provide information to those who are looking for ways to influence accountability by implementing a business planning model.

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[47] Planning and Performance Exchange. "Resource Portal," Accessed on 03 June 2006: http://www.ppx.ca/.

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[48] Kenneth Kernaghan and John Langford, *The Responsible Public Servant* (Montreal: The Institute for Research on Public Policy, 1990), p. 67.

Chapter Two – Theoretical Foundations for Accountability in the Government of Alberta

2.0 Introduction

Accountability is similar to other political concepts such as equality and freedom where there is general consensus that these values are important in a democratic state. Despite this overall consensus that such values are important pillars to good governance and a sound democracy, there are different interpretations on what these terms mean, who they should apply to, and to what extent it should be applied. Specific to accountability, there is a lack of agreement on what accountability is, to whom it should apply to, and how it should be applied. Because of this dissension, accountability is one of the most written about subjects in contemporary public administration literature. Numerous definitions have been developed in an attempt to understand and promote different relationships in a public sector environment and findings suggest that these definitions of accountability tend to vary based on the inclusion or exclusion of such characteristics as responsibility, answerability, transparency, responsiveness, and liability. Indeed, Paul Thomas has recently observed that, "accountability has become a chameleon-like concept, with ever expanding and not always consistent meanings."[49]

Recently, authors have begun to focus on the processes and structures governments have used to attempt to strengthen accountability such as performance measures, different types of plans, performance incentives for civil servants, and legislation. In some cases, comparisons have also been made on how accountability has changed, if at all. Usually this comparison is made between how accountability was defined prior to NPM and after NPM with the timelines varying from country to country.

Numerous authors have also recently commented on the contradictions and paradoxes within today's accountability frameworks and overall governing environment and have found that within and between traditional public administration, new public management, and public choice, there are inconsistent, contradictory, and ambiguous approaches to accountability.

Central to this accountability paradox are the proposals to centralize and decentralize power in government and the civil service. As Donald Savoie notes, "NPM's goal is to break down formal systems of control"[50] whereas public choice theorists tend to argue for more controls in government to direct and monitor the actions and decisions of civil servants and politicians. Complicating the analysis of the accountability paradox is that NPM literature is not consistent in its descriptions of events or in its recommendations on what and how governments should reform. For example, some authors have written about the need for government 'to let managers manage,' to get rid of the 'red tape,' and to decentralize structures and processes in government whereas other NPM advocates have argued that stronger political controls need to be established to monitor the actions of civil servants.[51]

Adding to the complexity of studying accountability in the public sector is the ongoing discussion in public administration literature about ministerial responsibility. While there was much discussion about the appropriate relationship between politicians and civil servants in traditional public administration literature, in contemporary public

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[49] Paul Thomas, "Swirling Meanings of Accountability," Forthcoming chapter in book edited by David Siegel and Kenneth Rasmussen (title and publisher unknown).
[50] Donald Savoie, *Breaking the Bargain: Public Servants, Ministers, and Parliament* (Toronto: University of Toronto Press, 2003), p. 13.

administration literature, ministerial responsibility has become one of the most contentious and popular issues to debate. Donald Savoie argues that this dissension has occurred because "the traditional bargain between politicians and career civil servants now operates under severe stress and strain" since politicians have less trust in and have been more critical of civil servants than in previous times.[52] In this sense, ministerial responsibility, being one of the traditional and contemporary pillars of accountability, is being contested and debated about its relevancy in today's accountability environment.

Despite this dissension, complexity, and controversy surrounding accountability, there are some similarities in how accountability is defined and interpreted. As Paul Thomas has argued, many who write about accountability tend to agree that, "Accountability is a formal relationship governed by a process. It involves a person or body in a position of authority assigning or negotiating with others the performance of certain responsibilities, ideally based on agreed-upon expectations and standards."[53] This interpretation of accountability is similar to the Government of Alberta's formal definition, which "is an obligation to answer for the execution of one's assigned responsibilities."[54] Both address the idea of answerability and it is difficult to find fault with this focus; however, accountability becomes contentious when figuring out who should answer to whom, who should answer for what, and what the levels of control should be to monitor and ensure answerability. Hence, the goal to improve

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[51] For example, see Peter Aucoin, "Administrative Reform in Public Management: Paradigms, Principles, Paradoxes, and Pendulums," *Governance*, Vol. 3:2 (April 1990), pp. 115-137; and Simon McInnis, "New public management: Just a "fashion model on the runway"?" *Canadian Public Administration*, Vol. 44:4, (Winter 2001), p. 492.

[52] Donald Savoie, *Breaking the Bargain*, p. 16.

[53] Paul Thomas, "Accountability: Introduction," *Handbook of Public Administration*, (Thousand Oaks, Calf.: Sage Publications, 2002), p. 547.

[54] Alberta Legislature. *Government Accountability.* (Edmonton: Office of the Auditor General, February 1997), p. 1.

accountability is simply not a rational process or template to be followed; instead, it is a subjective process reflective of certain beliefs and values about what accountability should be.

This chapter outlines the similarities and differences between the three dominant theoretical approaches (traditional public administration, new public management, and public choice) to accountability and argues how certain conceptions of accountability were privileged or promoted by the business planning process in Alberta. In the following chapters, we shall see how the interview results reflect the contradictions and similarities between traditional public administration, new public management and public choice on accountability.

2.1 Traditional Public Administration and Accountability in Canada

It was not until the late 1960s and 1970s that the word accountability was used in Canada's political corridors. At the outset, it is important to note that even though the word accountability was not formally used in government lexicon, the concept itself was used in other ways. Specific to the civil servant and politician relationship, accountability was most often explained and understood through the concept of ministerial responsibility, which is a practice that has been applied and accepted in government since Canada became a country. The interpretation of ministerial responsibility is similar amongst authors from Confederation to WWII and its definition was rarely debated. Yet, similar to current times, there was more attention paid to the application of individual than collective ministerial responsibility in public administration literature.

Collective responsibility is based on convention rather than law and requires that once a decision is made by Cabinet, all Cabinet members are required to support the decision. In this sense, the government as a whole takes responsibility for any decision made instead of an individual minister or government member. Under this ideal understanding of ministerial responsibility, if any government member does not agree with a government decision, depending on the issue and prominence of the issue, the government member is expected to resign from his or her post. Further, a government is expected to resign if it loses a vote of confidence in the legislature.[55] In the past several decades, more attention has been given to what constitutes a 'vote of confidence;'[56] however, the interpretation of this type of ministerial responsibility has remained somewhat stable since it was applied in Canada. This type of responsibility focuses on the relations amongst the government members rather than between civil servants and politicians or between politicians and citizens, and hence is not a primary area of focus for this dissertation.

Throughout Canada's political history, individual ministerial responsibility has been given more scholarly attention than collective responsibility. The traditional way individual responsibility has been defined is that Ministers are individually responsible to Parliament or to their legislature for their own actions and for all aspects of their department's activities.[57] Under individual responsibility then, each minister is held responsible to the House of Commons for the conduct of every civil servant working in his/her department. Under this ideal version of what ministerial responsibility is supposed to be, a minister is expected to bear the consequences of any failure in administration, any injustice to an individual or any aspect of policy which may be criticized in Parliament, whether personally responsible or not.[58] For example, upholding this definition of sole and complete responsibility, in 1908, A. L. Lowell argued, "the Minister is alone responsible for everything done in his department."[59] The role of the civil service then is to have "no constitutional personality or responsibility separate from the duly elected Government of the day."[60] Yet this idea of ministerial responsibility does not mean that civil servants are not responsible to anyone or anybody. One of the pillars of ministerial responsibility is that "public servants have a traditional duty to account for their decisions to elected officials who in turn are accountable to the public."[61] This understanding of ministerial responsibility is still evident today, but the growth of the state during and after WWII made some people question if this traditional understanding of ministerial responsibility should be reassessed given the wider span of control and policy issues the government had to address.

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[55] Kenneth Kernaghan, "East Block and Westminster: Conventions, Values, and Public Service," *The Handbook of Canadian Public Administration*, Christopher Dunn, ed. (Don Mills, Oxford University Press, 2002), p. 105.

[56] For more information on votes of confidence, see: Andrew Heard, *Canadian Constitutional Conventions: The Marriage of Law and Politics* (Oxford University Press, 1991) and Andrew Heard, "Constitutional Conventions and Parliament," *Canadian Parliamentary Review*, Vol. 28:2 (Summer 2005), pp. 1-4.

Prior to WWII, the total number of employees in the civil service in Canada was 40,709 in 1935. By 1945, this number stood at 115,908; by 1970, there were 244,197 federal employees.[62] So from 1935-1945, the size of the civil service more than tripled in

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[57] Donald Savoie, *Governing From the Centre: The Concentration of Power in Canadian Politics* (Toronto: University of Toronto Press, 1999), p. 53.

[58] Sharon Sutherland, "Responsible Government and Ministerial Responsibility: Every Reform Is Its Own Problem," *Canadian Journal of Political Science*, Vol. 24 (1991), pp. 91-120.

[59] A.L. Lowell as quoted in Geoffrey Marshall, *Ministerial Responsibility* (Oxford: Oxford University Press, 1989), p. 7.

[60] Herman Finer, The British Civil Service (London: Allen and Unwin, 1937), p. 196.

[61] Kenneth Kernaghan and John Langford, *The Responsible Public Servant* (Montreal: The Institute for Research on Public Policy, 1990), p. 157.

[62] Alasdair Roberts, "A Fragile State", *The Handbook of Canadian Public Administration*, Christopher Dunn, ed. (Don Mills: Oxford University Press, 2002), p. 20.

a relatively short period of time. Not only did the physical size of government increase, the role of the state in people's lives also expanded. This growth not only happened in Canada but as David Cameron argues, "the role of government in most advanced capitalist economies increased dramatically."[63] Cameron further explains, as other authors have,[64] that the state expanded its role through its use of monetary and fiscal policy instruments. No longer was the Canadian government a minimalist state in terms of providing services and programs for its citizens and how it managed the economy. After WWII, the Canadian state was more interventionist than in the past and developed numerous new services and programs. The Canadian government also became more interventionist in how it managed the economy and adopted a Keynesian welfare economics approach to monetary and fiscal policy.[65]

These changes in the physical size of government, the policy orientation, and the policy instruments used to reach the government's goals had a significant influence on the relationship between ministers and civil servants. For example, not only did the more technical aspect of some policies make it more difficult for politicians to maintain knowledge of the government's actions but also the sheer number of policy issues made it arduous for politicians to remain up-to-date on every issue.[66] As Kernaghan notes, "as governments grew larger and more complicated, ministers became increasingly dependent for policy advice on the knowledge and experience of public servants."[67] Along with this shift in knowledge was an overall change in how civil servants were perceived by the public. In relation to the post-war era, John Deutsch argues:

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[63] David Cameron, "The Expansion of the Public Economy: A Comparative Analysis," *American Political Science Review*, Vol. 72, No. 4 (Dec., 1978), pp. 1243.

[64] For example, see: John Shields and B. Mitchell Evans, *Shrinking the State: Globalization and Public Administration Reform* (Halifax: Fernwood Publishing, 1998), pp. 14-18; and Alasdair Roberts, "A Fragile State: Federal Public Administration in the Twentieth Century," In *The Handbook of Canadian Public Administration*, Christopher Dunn, ed. (Don Mills: Oxford University Press, 2002), pp. 18 -36.

[65] Robert Bothwell, Ian Drummond, and John English, *Canada since 1945: Power, Politics, and Provincialism* (Toronto: University of Toronto Press, 1981), pp. 9-25, 161-164.

[66] Donald Savoie, *Breaking the Bargain: Public Servants, Ministers, and Parliament*, p. 7.

> Before the war, many sections of public opinion held the belief that civil servants led a life of sheltered ease – not to mention more extreme views. In more recent years there has been a greater respect for their competence and devotion on the part of both the general public and the many businessmen and other private individuals who worked alongside the service during the war.[68]

Hence, the reputation of civil servants had significantly improved during and after WWII and this shift led some to discussion on what this change meant for the relationship between ministers and civil servants.

The increased policy role and higher prestige enjoyed by civil servants in the post-war period eventually led to a different type of relationship between politicians and civil servants. This relationship between politicians and senior civil servants came to be interpreted as 'political administration.'[69] Ken Rasmussen notes that this relationship is "based upon the concept of shared responsibility, mutual reliance and above all personal trust between senior bureaucrats and politicians."[70] Elaborating on this relationship, Hugh Heclo and Aaron Wildavsky note that political administrators "give primacy to two tasks: integration of political administrative goals; and maintenance of both formal and informal mechanisms whereby the integration must be achieved."[71]

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[67] Kenneth Kernaghan, "East Block and Westminster," *The Handbook of Canadian Public Administration*, p. 107.

[68] John Deutsch, "Some Thoughts on the Public Service" *Canadian Journal of Economics and Political Science*, Vol. XXXII, No. 1 (February 1957), p. 84.

[69] Colin Campbell and George Szablowski, *The Superbureaucrats: Structure & Behavior in Central Agencies* (Toronto: Macmillan Company, 1979), p. 4.

[70] Ken Rasmussen, "The Douglas Government's Contribution to Canadian Public Administration and Policy," Introduction to the Douglas Government Symposium (Regina: University of Regina, 31 April 2004), p. 1.

[71] Hugh Heclo and Aaron Wildavsky as quoted in Colin Campbell and George Szablowski, *The Superbureaucrats*, p. 4.

This perspective challenged previous perceptions of the relationship between civil servants and politicians where the development of policy was seen to be the exclusive prerogative of politicians and civil servants were to be the directed implementers of policy decisions. For example, Woodrow Wilson's interpretation of the relationship between politics and administration, although challenged and debated a great deal especially in the latter part of the twentieth century, still held domain for the latter half of the nineteenth century and first part of the twentieth century. Wilson argued that, "administration lies outside the proper sphere of politics...Politics is thus the special province of the statesman, administration of the technical official."[72] Even though he did recognize that the political-administrative relationship was integrated in some manner in the sense that "policy does nothing without the aid of administration," he did further note that, "administration is not therefore politics."[73]

Yet, as has been argued elsewhere,[74] the political-administrative dichotomy was never really practiced in government and critiques against Wilson's perception of the relationship between civil servants and politicians began to increasingly emerge after WWII. Instead of distinct and separate roles in policy, authors began to argue that the relationship between civil servants and politicians was a complex power relationship that did not draw explicit boundaries between policy development and policy implementation. This was further confirmed when the Royal Commission on Government Organization (Glassco Commission) found in their 1962 report that, "permanent officials are also participants in the exercise of power, rather than mere instruments through which it is wielded by ministers."[75] At the same time that civil servants were becoming more visible in terms of their policy influence and capacity, some people became increasingly concerned that the civil service had gained power at the expense of Parliament.[76] Both the academic community and government debated to what extent this civil servant-politician relationship changed and to what extent the changes influenced the traditional understanding of ministerial responsibility.

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[72] Woodrow Wilson, "The Study of Administration," in *Classics of Public Administration*, Fourth Edition, Jay Shafritz and Albert Hyde, eds. (Orlando: Harcourt Brace College Publishers, 1997), p. 20. For additional sources on scientific management, see: Frank Goodnow, *Politics and Administration: A Study in Government* (New York: Russell & Russell, 1900; and Leonard White, *Introduction to the Study of Public Administration* (New York: Macmillan, 1926).

[73] Woodrow Wilson, "The Study of Administration," p. 20.

[74] For further elaboration on critiques against the traditional political-administrative dichotomy, among others, see: Kenneth Kernaghan and David Siegel, "Power, Politics, and Bureaucracy," in *The Canadian Political Tradition: Basic Readings*, R.S. Blair & J.T. McLeod, eds. (Scarborough: Nelson, 1989), p. 398; Richard Rose, "Steering the Ship of the State: One Tillar but Two Pairs of Hands," *British Journal of Political Science*, Vol. 17:4 (October 1987), p. 409-433; Carl Friedrich, "Public Policy and the Nature of Administrative Responsibility," in *Public Policy*, Carl Friedrich and Edward Mason, eds. (Cambridge: Harvard University Press, 1940), pp. 5-37; and Hugh Segal, "The Accountability of Public Servants," *Policy Options*, Vol. 2:5 (November/December 1981), pp. 11-13.

One of the earliest academic discussions that described the growing tension between civil servants and politicians was written in the early 1940s. Carl Friedrich and Herman Finer debated to what extent public servants should be "guarded against abuse of administrative discretion so as to maintain and promote responsible administrative conduct."[77] In other words, although the two scholars were equally concerned about the need to ensure officials will act responsibly in government, they disagreed about the appropriate and viable means to achieve this end. For example, Finer believed that extensive controls and sanctions should be developed by the legislature, the judiciary, and the administrative hierarchy to avoid administrative abuse of power.[78] Further, he advocated elected representatives should exert more explicit power over civil servants and should "determine the course of action of public servants to the most minute degree that is technically feasible."[79]

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[75] Government of Canada, Royal Commission of Government Organization, (Ottawa: Queen's Printer, 1962), Vol. 5, p. 74. . In September 1960, the Royal Commission on Government Organization (Glassco Commission) was established to "inquire into and report upon the organization and methods of operation of the departments and agencies of the Government of Canada and to recommend the changes therein which they consider would best promote efficiency, economy, and improved service in the despatch of public business." (p. 1)

[76] See Allan Kornberg and William Mishler, *Influence on Parliament: Canada* (Durham, North Carolina: Duke University Press, 1976), pp. 52-57; John Stewart, *The Canadian House of Commons: Procedure and Reform* (Montreal: McGill-Queen's University Press, 1977), pp. 21-30.

[77] Kenneth Kernaghan and David Siegel, *Public Administration in Canada: A Text*, 3rd ed. (Toronto: Nelson Canada, 1994), p. 353.

This environment of control differed somewhat from the working relationship envisioned by Friedrich. Although Friedrich believed that civil servants should have political direction in the course of their duties, he also felt there was an obligation for the civil service to be responsive to popular sentiment. In effect, Friedrich recognized the limitations of political direction and control: "Parliamentary responsibility is largely inoperative and certainly ineffectual...The task of clear and consistent policy formation has passed...into the hands of administrators and is bound to continue to do so."[80] Recognizing these limitations, Friedrich believed that each civil servant should have a sense of professionalism and develop a personal conscience as the basis of responsibility. According to Finer, the difference between Friedrich's interpretation and his own version is his: "insistence upon distinguishing responsibility as an arrangement of correction and punishment even up to dismissal both of politicians and officials, while he believed and believes in reliance upon responsibility as a sense of responsibility, largely unsanctioned, except by deference or loyalty to professional standards."[81] As summarized by Kenneth

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[78] Ibid.

[79] Herman Finer as quoted in Kenneth Kernaghan and David Siegel, *Public Administration in Canada: A Text*, p. 354.

[80] Carl Friedrich as quoted in Kenneth Kernaghan and David Siegel, *Public Administration in Canada: A Text*, p. 354.

[81] Herman Finer, "Administrative Responsibility in Democratic Government," *Public Administration Review* 1 (Summer 1941), p. 335.

Meier and George Kraus,[82] the Friedrich-Finer debate established "two competing camps on the question of bureaucracy and democracy - the proponents of overhead democracy or control by political institutions[83] and the proponents of the inner check of competition, ethics, and participation."[84] This debate remains central to the contemporary accountability paradox faced by the Government of Alberta regarding the tension between the decentralization and centralization of management processes to monitor the behavior and actions of civil servants.

In the post-war period, to address the increasing concern about the relationship between civil servants and politicians, attention was given to how the state should change its management structures and processes. In Canada, during the 1960s and 1970s, numerous high-profile commissions made recommendations to improve management of the civil service and government in general. In the early 1960s, the Royal Commission on Government Organization made several comments about the relationship between politicians and civil servants and questioned whether the current management framework was appropriate for the growing civil service. One of the most controversial themes that arose from the Report was the support for the application of business principles and practices to certain government operations. Although the Commissioners explicitly stated that they were aware of the differences between government and business, there was still support to apply a more business-oriented model to government.[85] Perhaps one of the most popular phrases associated with this Commission that became popular again with new public management was 'let the managers manage.'[86] This represented the frustration line departments felt toward central agencies about the deluge of policies and regulations placed on them by Treasury Board and the Civil Service Commission. What came forward from the Report then were recommendations to reduce the burden placed on the line departments so that they could in fact 'manage.'[87] These themes of government reform focusing on structures and processes were further emphasized in another royal commission almost twenty years later.

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[82] Kenneth Meier and George Kraus, "The Scientific Study of Bureaucracy: An Overview," in *Politics, Policies, and Organizations: Frontiers in the Scientific Study of the Bureaucracy*, Kenneth Meier and George Kraus, eds. (Ann Arbor, MI.: University of Michigan Press, 2003), p. 5.

[83] See Herman Finer, "Administrative Responsibility in Democratic Government," *Public Administration Review*, Vol. 1 (1941), pp. 335-350; C.S. Hyneman, *Bureaucracy in a Democracy* (New York: Harper and Brothers Publishers, 1950); B. Dan Wood and Richard W. Waterman, *Bureaucratic Dynamics: The Role of Bureaucracy in a Democracy* (Boulder: Westview Press, 1994); V.O. Key, "Legislative Control," in *Elements of Public Administration*, Fritz Morstein Marx, ed. (Englewood Cliffs: Prentice-Hall, 1959), pp. 312-336; Emmette Redford, *Democracy in the Administrative State* (New York: Oxford University Press, 1969).

[84] See Carl Friedrich, "Public Policy and the Nature of Administrative Responsibility, *Public Policy*, Vol. 1 (1940), pp. 1-24; Norton Long, "Public Policy and Administration: The Goals of Rationality and Responsibility," *Public Administration Review*, Vol. 1 (1954), pp. 22-31; and George Frederickson, *The Spirit of Public Administration* (San Francisco: Jossey-Bass, 1997).

In 1979, the Royal Commission on Financial Management and Accountability (Lambert Commission) reported its findings and formally introduced the concept of accountability to the Canadian government's lexicon. The Lambert Commission found that:

> …accountability relies on a system of connecting links – a two-way circuit involving a flow of information that is relevant and timely, not only for managers but for those who must scrutinize the decisions and deeds of managers. We gauge its presence when we observe that a certain discipline has been imposed upon those who are assigned roles and duties in the system. In simple terms, accountability is the quality of a system that obliges the participants to pay attention to their respective assigned and accepted responsibilities.[88]

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[85] Government of Canada, Royal Commission on Government Organization, *Final Report*, Vol. 5 (Ottawa: Ministry of Supply and Services, 1962-1963), p. 29.

[86] Ibid.

[87] See T.H. McLeod, "Glassco Commission Report," *Canadian Public Administration*, Vol. VI, No. 4 (December 1963) for further discussion on the relationship between the line departments and the central agencies.

[88] Government of Canada, Royal Commission on Financial Management and Accountability, *Final Report* (Ottawa: Ministry of Supply and Services, 1979), pp. 9-10.

While the Commissioners acknowledged the difficulty of trying to define accountability, their attempt to define it is still somewhat vague. As Kernaghan and Langford observe, the definition does not state to whom public servants are accountable, what public servants are accountable for, and what the sanctions would be if public servants failed to meet the requirements or expectations of their political masters.[89] When compared to the Government of Alberta's formal definition of accountability, this early definition of accountability is even vaguer than Alberta's definition. The Lambert Commission's version states that participants should "pay attention to their respective assigned and accepted responsibilities" instead of a more explicit directive as found in the Alberta definition to being answerable.

Specific to the relationship between politicians and civil servants, and building on the concern about the parameters of ministerial responsibility found in the Glassco Commission, the Lambert Commission contended that the doctrine of ministerial responsibility was obsolete. The Commission argued that, "there can be little doubt that today the degree to which the minister really has effective management and direction of his department is open to question."[90] Indeed, ensuring accountability in government and in the civil service was of primary concern to the Commissioners and "establishing the means of proper accountability"[91] was of fundamental concern. To assist in ensuring accountability, the Commissioners argued for "proper financial administration and controls, because they are essential both in maintaining sound overall management of government and to the rendering of a full account for the exercise of responsibility and authority.[92] Specific to planning, the Lambert Commission recommended that the federal government establish a five-year Fiscal Plan that would include such information as, "estimates of revenues, set expenditure ceilings, and reflect the expected surplus or deficit. The plan would be based on the existing tax structure and clearly stated economic assumptions."[93] To provide a broader and more in-depth account of government, the Commission's Final Report also recommended that the Estimates should have a "stated specific purpose and, insofar as possible, a measurable result"[94] for each government program and activity. There was also emphasis on the need to evaluate and monitor the performance of programs and individuals. While there has been some criticism about the appropriateness of the Lambert Commission's recommendations,[95] the recommendations put forward assisted in changing how accountability was understood and applied in governments across Canada then and for many years to come. It was also clear in its recommendation that developing a formal plan was a way for government to improve accountability.

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[89] Kenneth Kernaghan and John Langford, *The Responsible Public Servant*, pp. 159-160.
[90] Royal Commission on Financial Management and Accountability, p. 373.
[91] Royal Commission on Financial Management and Accountability, p. 21.

Not only were there concerns about accountability relationships within the state, but the Commission also commented on the weak accountability relationship between citizens and the state. Although the Commissioners instilled a sense of urgency for the government to address the relationship between ministers and civil servants, the Commissioners also made the following observation:

> …we have reached the deeply held conviction that the serious malaise pervading the management of government stems fundamentally from a grave weakening, and in some cases an almost

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[92] Ibid.
[93] Ibid., p. 80 (Recommendation 5.1)
[94] Ibid.
[95] For example, see Douglas Hartle, "The Report of the Royal Commission on Financial Management and Accountability: (The Lambert Report)*: A Review," *Canadian Public Policy*, Volume 3 (1979).

> total breakdown, in the chain of accountability, first within government, and second in the accountability of government to Parliament and ultimately to the Canadian people."[96]

While the relationship between the state and citizens was of concern to many who studied democratic theory and politics in general prior to the 1970s, this was the turning point in Canadian politics where accountability between citizens and the state entered mainstream government discourse. Yet little was mentioned in the Final Report regarding how the accountability relationship between citizens and the state could be improved.

While the Glassco and Lambert Commissions are two examples of how and why ministerial responsibility and accountability were being examined in the 1960s and 1970s, another important structural change was also taking place that is important to note. As explained elsewhere,[97] the role of the Office of the Auditor General (OAG) expanded in the 1970s and instead of primarily focusing on fiscal reporting, the OAG began to comment and make recommendations on other aspects of management. In 1977, shortly after the Wilson Review Committee made its recommendations, the OAG received a new directive to conduct value-for-money audits. In the Auditor General Act of 1977, it gave the OAG the following mandate to call attention to situations where, "money has been expended without due regard to economy or efficiency; or satisfactory procedures have not been established to measure and report the effectiveness or programs, where such procedures could appropriately and reasonably be implemented."[98] With this new mandate, the OAG undertook 35 value-for-money audits in 23 departments and stated in its 1978 Annual Report that "there is…widespread lack of due regard for economy and efficiency in the operations of the government, and inadequate attention to determining whether programs costing many millions of dollars are accomplishing what Parliament intended."[99] The role of the OAG was now a strong voice that was able to publicly criticize the management of programs and services hence making accountability a widely known principle for government to uphold.

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[96] Royal Commission on Financial Management and Accountability, p. 21.

[97] For example, see Denis Saint-Martin, "Managerialist advocate or 'control freak'? The Janus-faced Office of the Auditor General" *Canadian Public Administration*, Vol. 47:2 (Summer 2004), pp. 121-140; Otto Brodtrick, "How does an auditor general's office see itself?" *Canadian Public Administration*, Vol. 47:2 (Summer 2004), pp. 225-242; and Sharon Sutherland, "The Office of the Auditor General: Government in Exile," Queens University, School of Policy Studies, Working Paper 31, (September 2002); pp. 1-29.

[98] Government of Canada, *The Auditor General Act*, 7 (2) (d) and (e).

Overall, in the traditional public administration era, the focus on accountability tended to be on intrastate relations where the academic community mostly wrote about the relationship between civil servants and their minister. For the most part, there was little debate about the roles and responsibilities of civil servants and ministers prior to WWI; however, after WWII, because of the growth of the state, questions and concerns arose to how this change influenced the political-administrative relationship. Since then, ministerial responsibility has remained as a key issue within public administration literature and as a cornerstone of accountability frameworks in governments across Canada.

Yet despite the vast amount of attention given to the interpretation and application of ministerial responsibility in the past thirty years, there is still some aura of uncertainty about how ministerial responsibility should be defined and applied.[100] Similar to accountability, Geoffrey Marshall has equated ministerial responsibility to 'the procreation of eels' in that the definition changes according to the user of the definition.[101] Again, analogous to accountability, the main reason for the ambiguity of the definition is that it is used in a highly political environment where the consequences for wrongdoings may be high and consequently, political parties will use the definition to serve their own purposes. For example, Kenneth Kernaghan argues that, "opposition members have accused individual ministers and the Cabinet as a whole of utilizing varying interpretations of the convention for the purposes of administrative convenience and of evading responsibility for maladministration."[102]

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[99] James J. Macdonell. "Comprehensive Auditing—A New Approach to Public Sector Accountability in Canada", A Paper Presented at the Second Seminar of Senior Government Audit Institution. Mexico City (14 May 1980), p. 5.

Indeed, a government may interpret the definition according to the unique characteristics of a given situation to protect the reputation, capacity, and longevity of the affected Minister and government as a whole. An example of this subjective interpretation can be found when Joe Clark, who at time was Leader of the Opposition, argued, "a minister cannot blame his officials when things go wrong…the people who are responsible are the ministers of the Crown not their officials."[103] Just over a decade later when he was a Minister in the Mulroney Conservative government, Mr. Clark stated to the House of Commons during question period, "the position taken by the Canadian government has been a very clear one…A minister cannot be held responsible for matters that concern him if he was not informed."[104] In this sense, ministerial responsibility is seen to be a shifting and slippery term that is dependent on the situation but mostly on whether or not a party is in power or opposition. Furthermore, as will be discussed at greater length later on in this chapter, the traditional understanding and application of ministerial responsibility has been challenged and some have called for the need to reassess the concept to improve accountability, especially to improve the accountability of civil servants.

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[100] For example, see Donald Savoie, *Breaking the Bargain: Public Servants, Ministers, and Parliament* (Toronto: University of Toronto Press, 2003); C.E.S. Franks, "From Gomery to the Accountability Act: The Devil is in the Details," *Policy Options* (June 2006), pp. 46-52; Stan Corbett, "Ministerial Responsibility and the Financial Administration Act: The Constitutional Obligation to Account for Government Spending," In *Restoring Accountability. Linkages: Responsibilities and Accountabilities*. Commission of Inquiry into the Sponsorship Program & Advertising Activities, Research Studies, Volume 3 (Ottawa: Publishing and Depository Services, Public Works and Government Services Canada, 2006), pp. 231- 295.

[101] Geoffrey Marshall, *Constitutional Conventions* (Oxford: Claredon Press, 1984), p. 54.

[102] Kenneth Kernaghan, "Power, Parliament, and Public Servants: Ministerial Responsibility Reexamined," in *Public Administration in Canada: Selected Readings*. Kenneth Kernaghan, ed. Fifth Edition. (Methuen: Toronto, 1985), p. 281.

[103] Joe Clark as quoted in Sharon Sutherland, "The Al-Mashat affair: administrative accountability in parliamentary institutions," *Canadian Public Administration*, Vol. 34: 4 (Winter 1991), p. 588.

Despite some concerns about the appropriateness of the traditional ministerial responsibility model in today's governing environment, it remains as one of the central pillars of the Government of Alberta's accountability framework. The focus on ministerial responsibility supports the broader definition of accountability in Alberta where both civil servants and ministers have "an obligation to answer for the execution of one's assigned responsibilities."[105] Through examining the interview results, it will be demonstrated that the traditional public administration approach to defining and interpreting accountability is still relevant and necessary, especially with the politicians who were interviewed for this study. Indeed, the traditional, though widely contested, political-administrative dichotomy that underlies a popular interpretation of ministerial responsibility is seen by most political interviewees as a way to improve accountability between politicians and civil servants. Moreover, it is through the business planning process that politicians believe they can assume greater control over the actions of civil servants because of the clarification of roles and responsibilities the plans provide. Finally, political control is perceived to be strengthened because civil servants receive performance pay based on whether or not they met the goals and targets as stated in their respective business plan.

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[104] Sharon Sutherland, "The Al-Mashat affair: administrative accountability in parliamentary institutions," p. 588.

2.2 New Public Management and Accountability

2.2.1 The Origins of New Public Management – The Context

The second paradigm explored in the dissertation is new public management. At the international level, New Zealand and Britain are often viewed to be the countries that established the framework or template that was later defined as NPM. Many authors have described the reforms these countries undertook in the 1980s and 1990s as well as assessing the influence of international organizations on government reform and what changes should take place. For example, Pekka Kettunen states that when authors view NPM as a way to describe the reforms of practices of governments, such authors "often point to the politics of the Tory government in the U.K., the prescriptions of the OECD, and the reform program of the New Zealand government in the early 1990s..."[106]

In Britain, it is commonly believed that NPM was introduced around the time Margaret Thatcher came to power.[107] Michael Barzelay argues what helped put public management on the agenda in Britain was "the result of the 1976 International Monetary Fund bail-out, the 1979 election of Margaret Thatcher's conservative government, and the subsequent series of policy reversals in such areas as macro-economic management

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[105] Auditor General of Alberta, "Government Accountability," p. 1.

[106] Pekka Kettunen, "The New Public Management: The Scandinavian Experience" Draft paper presented to the panel "The New Public Management in Comparative Perspective." American Political Science Association Annual Conference, 2-5 September 1999. Atlanta, Georgia.

[107] Sandford Borins, "Transformation of the Public Sector: Canada in Comparative Perspective," In *The Handbook of Canadian Public Administration*, pp. 4-5.

and industrial relations."[108] In the late 1970s and early 1980s, Thatcher's government believed that to improve Britain's weak economy, massive changes had to be made to the size of government and how government functioned. Thatcher believed the government was too involved in the economy, taxes were too high, and trade unions had too much power.[109] To improve the performance of the economy and reduce the dominance of the state, Thatcher introduced private sector management practices to the public sector and restructured the civil service to make the state apparatus more responsive to politicians. Further, Thatcher's government emphasized that individual citizens should be treated more like customers and that in general, the state should be more responsive to citizens' needs and demands.[110]

In New Zealand, the country experienced similar economic and fiscal pressures to those of Britain. Consequently, beginning in 1984, the newly elected Labour Party proposed a radical mandate "consisting of economic deregulation, privatization of many state-owned enterprises, and public management reform."[111] Indeed, once in government the Labour Party fundamentally restructured the processes, structures, and relationships in government and in the civil service. Some of the major changes include improving accountability between civil servants and government members (mostly ministers), moving toward a performance-oriented work environment and moving away from the traditional command and control environment, improving transparency of decisions and objectives in government, and providing incentives and the flexibility for civil servants to meet the government's goals instead of their own.[112] As Jonathan Boston notes, many jurisdictions around the world were intrigued by the reforms taking place in New Zealand because the reforms "represented the fruit of detailed analyses of the weaknesses of the existing administrative apparatus and a systematic effort to craft an integrated and fresh approach of public management based on the insights of public choice theory and the new institutional economics."[113] For other jurisdictions looking to reform their own structures and process, the changes that took place in New Zealand represented the full-scale and fundamental change that could occur in the public sector compared to the more popular piecemeal approach that other jurisdictions tended to implement.

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[108] Michael Barzelay, "Politics of Public Management Reform in OECD Countries." Accessed on 02 February 2006: http://www.clad.org.ve/congreso/barzelen.html.

[109] Sandford Borins, "Transformation of the Public Sector: Canada in Comparative Perspective," in *The Handbook of Canadian Public Administration*, p. 4.

[110] Peter Aucoin, *The New Public Management: Canada in Comparative Perspective* (Montreal: The Institute for Research on Public Policy, 1995), p. 1.

[111] Sandford Borins, "Transformation of the Public Sector: Canada in Comparative Perspective," in *The Handbook of Canadian Public Administration*, p. 5. For further information on the reforms in New

While New Zealand and Britain are generally viewed to have made extensive and significant changes compared to other countries, numerous other jurisdictions also implemented some of the reforms commonly associated with NPM.[114] For example, in the United States, adoption of NPM principles and practices did not take hold at the national level until the Clinton regime came to power in the early 1990s and the changes were carried out in a much more incremental way than in Britain and New Zealand. Supported by Vice President Al Gore, the government developed a Report of the National Performance Review that acted as the foundation for future government reform initiatives. William Niskanen notes that one of the major themes of the report was "that

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Zealand (and Australia), see: R. Mascarenhas, Reform of the Public Service in Australia and New Zealand, *Governance: An International Journal of Policy and Administration*, Vol. 3:1 (1990), pp. 75-95.

[112] Graham Scott, *Public Management in New Zealand: Lessons and Challenges* (Wellington: New Zealand Business Roundtable, 2001), p. 24-27.

government officials and civil servants should be treated like responsible adults. The government should rely more on incentives and less on controls, increasing flexibility in exchange for increased accountability."[115] Again, similar to Britain and New Zealand, the focus was on improving management, performance, and accountability relationships. This national project was intended to be the blueprint for the government to implement NPM principles and practices.

The book most commonly associated with NPM, *Reinventing Government*, also came out in the early 1990s and had a significant influence on public sector reform at the national, state, and local levels of government. The authors argued that the traditional model of bureaucracy was not appropriate for the post-industrial information age and instead, they recommended that governments adopt an entrepreneurial model. According to David Osborne and Ted Gaebler, an entrepreneurial government should focus on getting and reporting on results, reducing bureaucracy and red tape, promoting deregulation and competition inside and outside of government, and redefining citizens to be customers where the focus is on choice, empowerment, and excellent delivery of services.[116] Various aspects of NPM are still in place in the United States; however, with the election of the Republican Party in 2001, the National Performance Review was abruptly dismantled and there has been little public mention about the reform of the

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[113] Jonathan Boston, "New Zealand's Model of Public Management: The Promise and the Reality," *National Institute for Research Advancement Review*, Vol. 6:2 (Spring 1999), p. 15.

[114] Donald Kettl notes that, "Reformers have deployed three broad strategies: modest changes, in nations like France and Germany; incremental reform, in the United States; and "big bang" reform in nations ranging from New Zealand to the Slovak Republic." Donald Kettl, *The Global Public Management Revolution*, Second Edition (Washington: Brookings Institution Press, 2005), p. vii.

[115] William Niskanen, "Reinventing government, reinventing health - Bill Clinton's and Al Gore's policies for reforming health care and government agencies," *National Review*, (1 November 1993), p. 38.

[116] David Osborne and Ted Gaebler, *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector* (New York: Plume , 1992), p. xix.

public service since.[117] Analogous to Canada though, certain states and municipalities have embraced and continue to support NPM principles and techniques.

In Canada, the pressure to reform the civil service was more subdued at the national level than many other countries despite facing similar fiscal challenges. In Canada, the deficit and debt levels were increasing on an annual basis throughout the 1970s and 1980s. While this proved to be an impetus in other countries for the government, no matter what political stripe, to initiate public sector reform, the Conservative government in power from 1984-1993 chose to focus on other issues. As Sandford Borins notes, as well as the need to address its fiscal situation, the Mulroney government also had to deal with the "free trade agreement, the Goods and Services Tax, and the Meech Lake and Charlottetown Accords."[118] Further, the economy was in the midst of a recession and instead of focusing on public sector reform, the government chose to focus on how to improve the economy and how to create jobs. So, where other governments were in the throes of developing a NPM blueprint for the civil service, Canada was fighting constitutional and economic battles and public sector reform was simply not viewed to be a priority.

Even though public sector reform was not a priority, there were still some initiatives that took place. The Progressive Conservative Party, under the leadership of Brian Mulroney, developed a 1990 white paper on public service renewal and reform (often referred to as the PS 2000 report). The main argument of the paper was that the number of rules imposed on line managers should be reduced and that the Government of

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[117] "A Brief History of Vice President Al Gore's National Partnership for Reinventing Government During the Administration of President Bill Clinton 1993-2001," Accessed on 04 April 2006, http://govinfo.library.unt.edu/npr/whoweare/historyofnpr.html.

Canada should promote a 'results-oriented, entrepreneurial' culture.[119] Some minor changes were made between 1990-93, but the implementation of the report faced many obstacles. As Kernaghan, Marson, and Borins note, there was a "major public service strike that put into question the extent of the government's commitment to its employees and the activities of a 'control lobby' that was able to focus attention on the risks rather than the benefits of public-service reform."[120] Public sector reform did not become a priority for the federal government until the Liberal Party came into power in 1993. The Treasury Board Secretariat established numerous initiatives and programs that served as the impetus for a change in how the federal government was to operate and manage throughout the 1990s and onwards. Indeed, Evert Lindquist argues that, "the 1980s can be characterized as a decade of government indecision, fiscal restraint, and mounting frustration for public servants, while the 1990s saw decisive government action, significant downsizing, and great turmoil in most public bureaucracies."[121]

At the provincial level, Alberta was the first province to significantly reform its civil service where the changes reflected many of the principles commonly associated with NPM such as transparency, competition, flexibility, efficiency, and accountability. The following chapter will examine the changes that took place in Alberta in the context of why business plans were implemented in government. Before discussing the Alberta

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[118] Sandford Borins, "Transformation of the Public Sector: Canada in Comparative Perspective, " in *The Handbook of Canadian Public Administration*, p. 8.

[119] For further information, for example, see Alaisdair Roberts, "Worrying about misconduct: the control lobby and the PS 2000 reforms," *Canadian Public Administration*, Vol. 39:4 (Winter 1996); Ian D. Clark, "Restraint, renewal, and the Treasury Board Secretariat," *Canadian Public Administration*, Vol. 37:2 (Summer 1994).

[120] Kenneth Kernaghan, Brian Marson, and Sandford Borins, *The New Public Organization* (Toronto: The Institute of Public Administration of Canada, 2000), p. 25.

[121] Evert Lindquist, "Government Restructuring and Career Public Service: Do We Need a New Cosmology?" in *The Canadian Handbook on Public Administration* (Don Mills: Oxford University Press, 2002), p. 125.

situation though, it is necessary to further explore how authors have defined and interpreted NPM, especially as it relates to accountability.

2.2.2 The Theoretical Origins of New Public Management

Since the late 1980s, there has been a plethora of articles, books, and conference proceedings on new public management. Most of the literature addresses the definition and roots of NPM and gives examples of NPM practices in the public sector. Whereas some authors have used the term as a way to describe the government reforms taking place post-Thatcher, other authors have tended to be more normative in the sense of advocating that the adoption of business or business-like principles and techniques should be applied to the public sector. In this sense, NPM literature tends to be highly descriptive and prescriptive, but rarely if at all, explanatory. Jonathan Boston notes that it is difficult to use NPM as a way to explain why certain reforms took place in government because it "has been challenged on the grounds that it enjoys neither a secure philosophical base nor a solid empirical foundation"[122]

Similarly, Christopher Pollitt has presented numerous concerns about using NPM as a way to explain why certain reforms have taken place. For example, he notes that there were other numerous changes taking place in the political and administrative environment (i.e. the information technology revolution, globalization) at the same time NPM became popular, therefore making it difficult for a researcher to effectively establish a cause-effect relationship.[123] In other words, how can a researcher know if a reform was because of NPM, the economic climate, sociological trends, technology demands, or environmental trends?

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[122] Jonathan Boston, "The Theoretical Underpinnings of Public Sector Reform in New Zealand," in Jonathan Boston, et al., eds., *Reshaping the State: New Zealand's Bureaucratic Revolution* (Melbourne: Oxford University Press, 1991), p. 20.

[123] Christopher Pollitt, "Justification by works or by faith? Evaluating the new public management," *Evaluation*, Vol. 1:2 (1995), pp. 139-140.

For many authors, it has also been difficult to define or rationalize NPM because political parties from a variety of persuasions have implemented NPM tools and techniques. As Donald Kettl notes, "Sometimes the argument came from the left, as in New Zealand; sometimes it came from the right; as in the United Kingdom."[124] In Canada, governments headed by the Conservatives, Liberals, and New Democrats have all implemented aspects of NPM to some extent. Because of this divergent partisan support, Christopher Hood and Michael Jackson argue that NPM ideas should be viewed as a series of doctrines where administrative arguments can provide a plausible, though not empirically or scientifically based, explanation of the problems the public sector faces and how they should solve those problems.[125] Indeed, Hood notes one of the challenges in studying NPM is that "there has been no single accepted explanation or interpretation of why the New Public Management coalesced and why it caught on."[126]

Despite a lack of agreement in public administration literature on what NPM is or ought to be, there are some common themes in how the term has been defined and used. The overarching theme amongst the many definitions, as discussed earlier, is that it has been used to describe many of the public sector reforms that took place in western industrialized countries during the late 1980s and 1990s. In a seminal study conducted by the Organization for Economic Co-operation and Development (OECD), it was found that there were several similar changes taking place amongst western industrialized countries at the same time including: strengthening steering functions at the center; devolving authority; providing flexibility; ensuring performance, control, and accountability; improving the management of human resources; optimizing information technology; developing competition and choice; improving the quality of regulation; and providing responsive service.[127] This international organization argued that because of these changes, a new paradigm for public management had emerged, aiming at fostering a performance-oriented culture in a less centralized public sector. These characteristics identified by OECD are commonly associated with how NPM is defined in the public administration field.

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[124] Donald Kettl, *The Global Public Management Revolution*, Second edition (Washington: Brookings Institution Press, 2005), p. 17.

[125] For a discussion of administrative doctrines, see Christopher Hood and Michael Jackson, *Administrative Argument* (Hanover, N.H., 1991), and Christopher Hood and Michael Jackson, "Key for Locks in Administrative Argument," *Administration and Society* 25 (1994): 467–88.

[126] Christopher Hood, "A Public Management for All Seasons?" *Public Administration*, Vol. 69 (1991), p. 6.

Indeed, similar to OECD's interpretation of the changes that took place in the 1980s and 1990s, Christopher Hood, one of the most prolific writers on new public management, identified the main premises of NPM to be the following: letting public sector managers be 'free to manage'; setting explicit standards and measures of performance; placing greater emphasis on results or outputs rather than procedures or inputs; creating more competition in the public sector; stressing private sector styles of management practice; and finally, stressing greater discipline and parsimony in resource use.[128] Other authors have also described NPM in a similar manner.[129] One of the most significant differences between the many definitions of NPM is on how broad or specific the definition is when describing the changes. For example, Christopher Pollitt and Geert Bouchaert, in recognizing the broad way NPM has been defined, state four broad categories can be used when discussing public sector reform: "maintaining, modernizing, marketizing, and minimizing."[130] Others, such as Hood, have attempted to be more specific in how NPM is defined and described.

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[127] Organization for Economic Co-operation and Development, *Governance in Transition: Public Management Reforms in OECD Countries* (Paris: OECD Publication Service, 1995).

[128] Christopher Hood, "A Public Management for All Seasons?" *Public Administration* 69:1 (Spring 1991), pp. 3-19.

[129] See, among others, Christopher Pollitt, *Managerialism and the Public Service: The Anglo-American Experience* (Cambridge, MA: Basil Blackwell, 1990), pp. 2-3; Laurence Lynn, "The New Public Management: How to Transform a Theme into a Legacy," *Public Administration Review*, Vol. 58:3 (May/June 1998), p. 232; Hal G. Rainey, "Public Management: Old and New," in *Handbook of Public Administration*, B. Guy Peters & Jon Pierre, eds. (Thousand Oaks, Calf.: 2002), p. 11.

To further understand the rationale and objectives of NPM, some authors have attempted to explain why these changes took place in the context of neo-liberal theory.[131] Similar to other terms in political science, there is not an accepted standard definition of neo-liberalism. Typically though, neo-liberalism can be defined as a set of policies "that privilege capital and the private sector over broader social interests."[132] In terms of ideological orientation, Benjamin Kohl and Mildred Warner state that neo-liberalism "finds its ideological roots in Hayek, economic justification in Friedman, and political practice of Thatcher and Reagan, that assumes the market triumphalism of Fukuyama."[133] Specifically, Bob Jessop argues that neo-liberalism is epitomized by:

> …the liberalization and deregulation of economic transactions, not only within national borders but also –and more importantly- across these borders; the privatisation of state-owned enterprises and state-provided services; the use of market proxies in the residual public sector; and the treatment of public welfare spending as a cost of international production.[134]

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[130] Christopher Pollitt and Geert Bouchaert, "Evaluating Public Management Reforms: An International Perspective," *Evaluation in Public Sector Reform.* Helmut Wollman, ed. (Cheltenham: Edward Elgar, 2003), p. 25.

[131] For example, see: Christopher Pollitt, *Managerialism and the Public Service* (Cambridge, MA.: Basil Blackwell, 1990), pp. 40-49; Donald Kettl, The Global Public Management Revolution (Washington, D.C.: Brookings Institution Press, 2005), pp. 3-5; and John Shields and B. Mitchell Evans, *Shrinking the State: Globalization and Public Administration 'Reform'"* (Halifax: Fernwood Publishing, 1998), pp. 10-35.

[132] Benjamin Kohl and Mildred Warner, "Scales of Neoliberalism," Symposium. *International Journal of Urban and Regional Research*, Vol. 28.4 (December 2004), p. 855.

[133] Ibid.

[134] Bob Jessop, "Liberalism, Neoliberalism, and Urban Governance: A State-Theoretical Perspective," *Antipode*, Volume 34:3 (June 2002), p. 454.

When discussing neoliberal theory as it pertains to the public sector, the reasons for certain reforms are explained by the need to reduce or minimize the influence of the state on individual lives because invasive state interference is believed to be an obstacle to social and economic development. David Clark further identifies that the neoliberal orthodoxy is represented by several propositions:

> …that public deficits are intrinsically negative; that state regulation of the labour market produces rigidities and hinders both economic growth and job creation; that the social protection guaranteed by the welfare state and its redistributive policies hinders economic growth; and that the state should not intervene in regulating foreign trade of international financial markets.[135]

This support of neo-liberalism has translated into policies such as balanced-budget legislation and the demise of universal social programs. It has also influenced the way governments deliver their services, structure their institutions and agencies, measure their performance, and develop plans at the government and departmental levels.

In looking at how neoliberalism and new public management are defined, it seems that the NPM administrative and management agenda supports the broader neo-liberal political agenda. As noted earlier, while there are many different ways to define NPM, there are some definitions that directly support the main principles of neo-liberalism. For example, in defining NPM, Peter Aucoin argues it represents the following characteristics:

> ...reducing the civil service to make the state apparatus more responsive to political direction, private sector management practices that are introduced to promote economy and efficiency in government, and the enhancement of freedom of individual citizens

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[135] David Clark, "Neoliberalism and Public Service Reform: Canada in Comparative Perspective," *Canadian Journal of Political Science*, 35:4 (December 2002), p. 771.

> to counter the dominance of state control over the design and delivery of public services."[136]

This definition, particularly the last part, demonstrates the neo-liberal influence on the definition and interpretation of NPM. It provides an explanation, based on individual control and freedom, to why a government makes the changes it does. Specific to Canada, most jurisdictions found that there was political and public pressure under the guise of neo-liberal ideology to eliminate deficits and debt loads, to reduce state intervention in a wide variety of policy areas, and to put an end to a perceived culture of welfare dependence. Indeed, the adoption of new public management principles and procedures were seen to be instrumental and necessary by many jurisdictions across Canada in order to adjust to the neo-liberal political environment.

Another theory discussed in relation to NPM has been management theory or what some have described as managerialism. One of the challenging aspects to studying this area of NPM is that some authors have also used NPM and managerialism interchangeably. Further complicating an understanding of managerialism is that it has "been treated variously as an ideology, a philosophy, a culture, or a set of techniques and practices."[137] In this dissertation, I argue that managerialism is different from NPM although it should be seen as a subset of any NPM definition. This distinction is especially important when analyzing the reasons why business plans were implemented and this will be discussed in the following chapter.

There are three significant ways managerialism has been used to justify why certain reforms were implemented in government. The first principle is that improved management will improve government overall. Christopher Pollitt argues that managerialism "is a set of beliefs and practices, at the core of which burns the seldom-tested assumption that better management will prove an effective solvent for a wide range of economic and social ills."[138] The second principle, and one central to understanding NPM, is the idea that business principles and techniques are generally more efficient, economical, and effective than public sector principles and techniques. Indeed, one of the most pervasive themes in NPM and managerialism literature is that the "philosophy is rooted in the conviction that private sector management is superior to public administration"[139] and any business-like reforms made to government are explained by way of the private sector holding trump over how the public service manages and operates. For example, supporting this philosophy, Lisa Bradley and Rachel Parker argue that, "both the efficiency and effectiveness of public sector organizations could be improved through the application of management techniques that had previously been reserved for private profit-making organizations."[140] Accordingly, the main guiding principles for the public sector to pursue should be economy (value for money), efficiency, and effectiveness.[141]

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[136] Peter Aucoin, *The New Public Management: Canada in Comparative Perspective* (Montreal: The Institute for Research on Public Policy, 1995), p. 1.
[137] Denis Saint-Martin, *Building the New Managerialist State: Consultants and the Politics of Public Sector Reform in Comparative Perspective* (New York: Oxford University Press, 2000), p. 1.

Indeed, central to the idea that the public sector should adopt more business-like features is the belief that the structures and processes of government are inefficient, not quality driven, ineffective, and outdated. Much has been written about the neo-liberal attack on the state within new public management literature and one of the most popular lines of attack has been toward the bureaucratic framework. In many articles and books on new public management, there is usually a description on what the 'old' way of managing was like in a traditional bureaucracy. What tends to be stressed in these accounts of traditional bureaucratic styles are Weberian notions of general rule-boundedness and the rigidity of these rules, 'machine bureaucracy' in that the structure needs a multi-level hierarchy to make it work, and a focus on outputs and processes rather than on results or outcomes. In addition, professional rather than corporate or managerial orientations, and an insulation of public from private management, with an absence of business values and techniques in public service routines, are often stressed as features of old-style public management.[142]

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[138] Christopher Pollitt, *Managerialism and the Public Services* (Cambridge, MA.: Basil Blackwell, 199), p. 1.

[139] Donald Savoie, "What is wrong with the new public management?" *Canadian Public Administration* 38:1 (Spring), p. 112.

[140] Lisa Bradley and Rachel Parker, "Public sector change in Australia: Are managers' ideals being realized?" Public Personnel Management (Fall 2001), Retrieved on 14 June 2006: http://www.findarticles.com/p/articles/mi_qa3779/is_200110/ai_n8970193/pg_2

[141] For example, see W.F. Enteman, *Managerialism: The Emergence of a New Ideology* (Wisconsin: University of Wisconsin Press, 1993).

For example, Donald Savoie states that the bureaucracy has been labelled as being "lethargic, cautious, bloated, expensive, unresponsive, a creature of routine and incapable of accepting new challenges"[143] by the media, academics, civil servants, private sector employees, and citizens-at-large. Similarly, Hood argues that NPM is "a recipe for correcting the perceived failings of traditional public bureaucracies over efficiency, quality, customer-responsiveness and effective leadership. Public-management reform is often presented as a functional response to such shortcomings."[144] In a well-known book that many in the public sector looked to for direction, *In Search of Excellence*, the authors critique the concept of a bureaucracy as an effective model of organizational design and management and argue as well, that private sector management is superior to public sector management.[145] Moreover, Charles Goodsell, in his well-known book *The Case for Bureaucracy*, gives a comprehensive overview of how bureaucracy has been negatively depicted in the past several decades.[146] Gerald Caiden also lists the various terms that have been used to portray the civil service and notes the civil service has been labeled with such terms as foot-dragging, deadwood, boondoggles, and stagnation.[147] Indeed, John Shields and G. Mitchell Evans argue that there has been a marked shift "away from a concern with market failure and towards the notion of government failure."[148] Overall, since the late 1970s, government processes, structures, policies, and people have all been severely criticized for not being economic, efficient, or effective enough.

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[142] For example, see: David Osborne and Ted Gaebler, *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector* (New York: Plume, 1993); David Osborne and Peter Plastrik, *Banishing Bureaucracy: The Five Strategies for Reinventing Government* (New York: Plume, 1997).

[143] Donald Savoie, "What is wrong with the new public management?" p. 114.

[144] Christopher Hood, *Paradoxes of Public Sector Managerialism, Old Public Sector Management and Public Service Bargains*, London School of Economics. Paper prepared for International Public Management Network Conference, Macquarie University, Sydney (4-6 March 2000), p. 4.

Finally, the third way managerialism has been used to explain some of the NPM reforms is that it is an attempt to 'depoliticize' politics. Similar to the 'management is management' concept, Ted Gaebler and David Osborne argue in *Reinventing Government*, that their 1993 book was about 'governance, not politics.'[149] In other words, politics was to be viewed as something that could be banished by the bureaucracy if only the politicians and civil servants were to follow the highly prescriptive and business-oriented mandate outlined by Gaebler and Osborne. The depoliticization of the civil service was dealt with in a variety of ways depending on the government. For example, some governments in order to reduce the level of political influence and bring about a more 'rational' or business-like way of making decisions, began to deliver some traditional government services through contracting out, partnering, or privatizing. Another example is when many governments began to use business terms such as consumers, clients, customers, and taxpayers rather than the traditional term 'citizens' to describe the relationship between politicians and the public. In this sense, the relationship was restructured to be more of a business arrangement rather than a relationship where equity, responsibility, accountability, transparency, and other important democratic principles were deemed to be important.

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[145] Thomas Peters and Robert Waterman, In *Search of Excellence: Lessons from Americas Best Run Companies*, (New York: Warner Brothers, 1984).
[146] Charles Goodsell, *The Case for Bureaucracy: A Public Administration Polemic*. Third edition. (Chatham, NJ.: Chatham House Publishers, 1994), pp. 6-23.
[147] Gerald Caiden, "What Really is Public Maladministration?" *Public Administration Review*, Vol. 51 (November-December 1991), pp. 486-93.
[148] John Shields and B. Mitchell Evans, *Shrinking the State: Globalization and Public Administration Reform*, p. 11. They point out in an endnote that "there are, of course, others like ourselves who assert that the current economic, social and political difficulties are primarily the result of acute failures found in the market itself," p 13.
[149] Ted Gaebler and David Osborne, *Reinventing Government*, p. 32.

Finally, and pertinent to this dissertation, many governments developed a government-wide planning system with emphasis on performance and results. Using the private sector model as a template, government plans were developed to establish goals, objectives, strategies, performance measures and targets for government as a whole and for individual departments. As will be examined in the following chapter, such plans were partly put in place to formalize the communication process between politicians and civil servants in order to clarify performance expectations that politicians had of civil servants. Instead of the traditional relationship based on trust and the behavior of the 'traditional public servant and politician bargain,' in some governments, contracts and performance incentives were developed in an attempt to control the behavior of civil servants because of the distrust politicians had toward civil servants. In this sense, this formal and public delineation of roles and responsibilities in performance contracts and plans were to clarify and substantiate who develops and who implements public policy.

It was an effort to ensure civil servants simply implemented the goals of government and not advocate their own politically-laden objectives and biases. This theme of depoliticization will be further explored in the following chapters and specifically, will be examined when looking at the reasons why business plans were put in place.

In general, NPM tends to be descriptive and prescriptive, and when utilizing neo-liberal or managerial theory, NPM can assist in explaining why certain changes took place in government. As will be examined in the next section, NPM has been a way for some authors to prescribe what changes should be made to improve accountability in government and the reasons why the changes should be made.

2.2.3 New Public Management, Accountability, and Planning

Before discussing the final theoretical paradigm, it is necessary to further explore how accountability was treated by those who wrote about NPM. Indeed, one of the major themes within NPM literature has been on the need to improve accountability in government. In the 1980s and 1990s, many governments began to develop or restructure their management tools and systems to deal with the lack of accountability, perceived or real, in their jurisdictions. The link between accountability and NPM can be demonstrated by examining the support for a government-wide planning framework, performance measures, performance reports, and the contestation of ministerial responsibility.

Across Canada, one of the most popular reforms was for governments to develop a government-wide plan. Looking for a method of planning that would correspond with the desire to enhance accountability, many governments adapted the basic principles of private sector business planning to their own structure. In the private sector, formal business planning is usually promoted as a central tenet of good management in that it seeks to implement direct and explicit controls through formally established goals, strategies and outcomes. Although the accountability structure is different in the private sector, many governments still saw the private sector planning process as a generic means to improve performance and accountability in government.[150] Hence, similar to managerialism's philosophy that management is generic; in this case, planning in government is also deemed to be a similar, if not identical, process to that which is found in the private sector. Planning became a central component of NPM because it was argued by many that goal ambiguity was a barrier to a government performing well[151] and those governments with clearly defined mission/vision statements and goals are more likely to perform better than governments that do not have this type of plan in place.[152]

In the Government of Alberta, the first formally developed government-wide plans were called business plans. Similar to what is found in a business plan in the private sector, the components of the Alberta government-wide business plan include a vision statement, values, goals, objectives, strategies, performance measures, performance targets, and financial information. Since the business plans were first established in 1994, additional sections have been added and they now include information on risk management, what each goal costs, links to other government plans, links to cross-governmental initiatives, and the identification of internal and external variables influencing the business plan (environmental scan). Furthermore, a strategic plan has been put in place "that describes Alberta in the year

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[150] For information on the accountability differences between the private and public sectors, see, among others, Kevin Kearns, "The Strategic Management of Accountability in Nonprofit Organizations: An Analytical Framework," *Public Administration Review*, Vol. 54:2 (March/April 1994).

[151] See: R.A. Dahl and C.E. Lindblom, *Politics, Economics, and Welfare* (New York: Harper & Row, 1958); C. E. Lindblom, "The Science of Muddling Through," *Public Administration Review*, Vol. 19 (1959), pp. 79-88; J.Q. Wilson, *Bureaucracy* (New York: Basic Books, 1989); P.F. Drucker, "The Deadly Sins in Public Administration," *Public Administration Review*, Vol. 40 (1980), pp. 103-106.

2025 and expands on the four strategic opportunities or "pillars" to realize the vision: Unleashing Innovation; Leading in Learning; Competing in a Global Marketplace; and Making Alberta the Best Place to Live, Work and Visit."[153] Specific to accountability, and what distinguishes the government's business plan from that of a private sector business plan, is the section titled 'Being Accountable to Albertans.' In this section, the plan states, "the Government of Alberta Business Plan is an ongoing three-year plan that is part of the government's commitment to be open and accountable to the people of Alberta."[154] The section further gives information on how the "Government Accountability Act requires that the government annually publish a three-year consolidated fiscal plan that includes a three-year consolidated capital plan for the government and a three-year government business plan."[155] Finally, the section describes the accountability link between planning and reporting and how the government is required to report on any gaps between the expected targets and results.

Central to the Government of Alberta's business plan, as well as other jurisdictions, has been the focus on performance measurement[156] as a means to obtain accountability. While governments have always assessed their performance in some manner, the new public

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[152] See, among others, J.Q. Wilson, *Bureaucracy* (New York: Basic Books, 1989); David Osborne and Peter Plastrik, *Banishing Bureaucracy: The Five Strategies for Reinventing Government* (New York, Plume, 1997).

[153] Government of Alberta, Alberta Budget 2006, "Government of Alberta Strategic Business Plan and 2006-09 Business Plan," Accessed 02 January 2007: http://www.finance.gov.ab.ca/publications/budget/budget2006/govbp.html#18.

[154] Government of Alberta, Alberta Budget 2006, "Government of Alberta Strategic Business Plan and 2006-09 Business Plan," Accessed 02 January 2007: http://www.finance.gov.ab.ca/publications/budget/budget2006/govbp.html#18.

[155] Ibid.

[156] Donald Moynihan and Sanjay Pandey have found that a variety of initiatives get identified with this pillar including pay-for-performance, total quality management, strategic planning, performance measurement, benchmarking, contracting out, increased managerial flexibility, and decentralization. D. Moynihan and Sanjay Pandey, "Testing How Management Matters in an Era of Government by Performance Management," *Journal of Public Administration Research and Theory*, Vol. 15 (2005), pp. 421-439.

management era demanded a coordinated, integrated, and comprehensive approach to measuring performance. This differed from the traditional public administration era where measuring performance consisted of mostly ad hoc approaches to measuring performance with the focus mostly on financial measures. Related, the traditional public administration approach tended to assess a government's performance based on the inputs or resources going into a program. Conversely, although information is still given on inputs, the NPM approach to assessing and reporting on performance focuses on outputs and outcomes. In other words, governments attempt to assess their performance based on whether or not they achieved the goals as established in their plan instead of the traditional approach where they were assessed on how much money was spent on a program or service. As Carolyn Heinrich notes, in the NPM era, governments "moved away from a more rational or technical focus on work procedures and process efficiency and a top-down, hierarchical approach to accountability for organization inputs and outputs, and toward more participatory, multi-level systems that consider a broader range of factors affecting performance while maintaining an explicit focus on the outcomes or results of programs."[157]

Another difference between the traditional public administration era and new public management approach concerns the reporting of a government's performance. Prior to the 1980s and 1990s, very few democratic governments had a government-wide plan that had a coordinated and comprehensive approach to reporting on a government's performance. In the traditional public administration era, governments reported their performance through speeches, budgets, annual reports, and the Estimates and this tended to be done through the legislature or the media. In the NPM era, reporting on performance was an important goal to achieve because many governments believed that if they provided information on what the government intends to do and how it intends to spend money, it would improve the accountability relationship between citizens and government. Furthermore, many governments also supported improving transparency, another characteristic of NPM, and to do this, governments had to communicate more with citizens about what they intended to do and to give information on their performance.

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[157] Carolyn Heinrich, "Measuring Public Sector Performance and Effectiveness," in *Handbook of Public Administration*, B. Guy Peters and Jon Pierre, eds. (London: Sage Publications, 2005), pp. 28-29.

Finally, one of the traditional bastions of the Westminster parliamentary system that came under attack from NPM supporters was ministerial responsibility in the sense that civil servants were not accountable to the public and not accountable enough to their minister. As noted earlier in the chapter, the common understanding of accountability in Canada rests on traditional principles of a Westminster-style government. As Kenneth Kernaghan and John Langford note:

> The Westminster model on which the Canadian system is based requires that the cabinet as a collectivity and the ministers individually be accountable to the legislature and through the legislature to the public. Public servants are accountable to their political superiors for implementing the policies put forward by the government and approved by a democratically elected legislature.[158]

Yet according to some NPM advocates, instead of ministers being accountable or responsible for the actions and decisions made by civil servants under their command, arguments have been made to make civil servants accountable for certain decisions and actions to actors other than their respective Minister.[159] Under the traditional public administration model, the primary accountability relationship was between a civil servant and a Minister whereas under the ideal new public management model of accountability, under certain circumstances, civil servants were to become directly accountable to other actors such as the public, the legislature, or a legislative committee.

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[158] Kenneth Kernaghan and John Langford, *The Responsible Public Servant* (Halifax: The Institute for Research on Public Policy, 1990), p. 161.

[159] Among others, see: Alex Smith, "The Accountability of Deputy Ministers Before Parliament," Library of Parliament Papers (02 February 2006); C.E.S. Franks, "Not Anonymous: Ministerial Responsibility and the British Accounting Officers," *Canadian Public Administration*, Vol. 40:4 (Winter 1997), pp. 626-652; House of Commons Standing Committee on Public Accounts, *Governance in the Public Service of Canada: Ministerial and Deputy Ministerial Accountability*. 10th Report (Ottawa, May 2005); James Mitchell, "Reply to C. E. S. Franks," *Canadian Public Administration*, Vol. 40:4 (Winter 1997), pp. 653-657; Gordon Osbaldeston, *Keeping Deputy Ministers Accountable* (Toronto: McGraw-Hill Ryerson, 1989);

The rationale behind such a change was to improve accountability between politicians (not just ministers) and civil servants and between civil servants and the public. As witnessed below, there is much discussion in the public administration literature about the appropriateness of such recommendations. Peter Aucoin argues that this shift in how the minister-civil servant relationship should be structured has occurred because:

> …public confidence in our institutions of governance has been diminished by the implicit acceptance of republican ideals as the standard of conduct in parliamentary government and by the adoption of an apolitical understanding of accountability that promotes public service, rather than ministerial, accountability in Parliament for the administration of public affairs.[160]

Aucoin contends that, "according to this script, it is therefore necessary to hold public servants to account for the administration of ministerial departments and their programs directly in and to Parliament,"[161] which significantly challenges the traditional public administration literature on what accountability should be in a Westminster-parliamentary system. Kenneth Kernaghan also criticizes increased accountability for civil servants and argues that, "the advent of direct answerability by public servants for their policy recommendations would have very important consequences for the responsibility of

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President of the Treasury Board, *Meeting the Expectations of Canadians – Review of the Responsibilities and Accountabilities of Ministers and Senior Officials*. Report to Parliament (Ottawa, November 2005); Sharon Sutherland, "Responsible Government and Ministerial Responsibility: Every Reform Is Its Own Problem," Vol. 24:1, *Canadian Journal of Political Science* (March 1991), pp. 91-120.

[160] Peter Aucoin, "Accountability: The Key to Restoring Public Confidence in Government," Saskatoon: University of Saskatchewan, 6 November 1997, p. 10

[161] Ibid., p. 10.

ministers and the political neutrality of public servants."[162] Not surprising then, given that NPM is directly attacking the traditional public administration understanding of accountability, ministerial responsibility, and the traditional structures and processes of government, the ability for NPM authors to develop a standard or accepted accountability framework that can be applied in government has been challenging. It is difficult, if not impossible, to develop an accountability framework with values and principles that do not complement or support the traditional structures and processes in place.

Indeed, Ewan Ferlie et al. have argued that, "many [scholars] suspect that the failure to produce a robust model of public accountability represents the Achilles' heel of the new public management."[163] This failure stems from the lack of agreement on how both accountability and new public management should be defined, interpreted, and applied in government. The lack of a robust accountability model is also because of NPM's constitutional illiteracy and its lack of attention to the need for probity and due process within government. Adding to this challenge is that the "mechanisms for promoting administrative accountability have emerged largely in an ad hoc, uncoordinated fashion to cope with the gradual expansion of bureaucratic power."[164] In this sense, the NPM model for reform inherited an accountability environment that was not unified in its understanding of accountability or in how accountability was to be applied in government. Hence, it is not surprising that NPM has not developed a robust model of intrastate or extrastate accountability given that traditional public administration literature was not able to produce one as well.

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[162] Kenneth Kernaghan, "Parliament and Administrative Responsibility," in *Public Administration in Canada: Selected Readings*. Fifth Edition. (Toronto: Metheun, 1985), p. 353.

[163] Ewan Ferlie et al., *The New Public Management in Action* (Oxford: Oxford University Press, 1996), p. 9.

2.2 New Institutional Economics and the Government of Alberta

The final theoretical perspective that assists in understanding the accountability framework in the Government of Alberta draws from the new institutional economics movement.[165] New institutional economics builds on neo-classical economics in the sense that it uses transaction costs to explain the behavior of actors and institutions in society. Building on the works of Adam Smith and David Ricardo, some authors in the mid twentieth century began to apply market models of rational choice to decision-making in politics focusing mostly on elections and political parties. Building on this interest, in the 1960s and 1970s, several authors, mostly from the United States, began to apply a rational choice model to explain how decisions are made in the civil service.[166] These works studied the administrative behavior of civil servants, the processes and structures within the civil service, and the rules in place that encouraged certain types of behavior.

Since the 1970s, more attention has been given to the study of how economic models can and should be applied to the relationships within the civil service and a variety of economic-based theories have been developed to explain the behavior of civil servants. N. Flynn argues that by the 1980s, economic-based decision-making theories "moved to the centre stage of government thinking and collectively provided a

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[164] Kenneth Kernaghan and John Langford, *The Responsible Public Servant*, p. 161.

[165] For further information, see Ronald H. Coase, *The Firm, the Market and the Law* (University of Chicago Press, 1988); Douglass C. North, *Institutions, Institutional Change and Economic Performance* (Cambridge University Press, 1990); Oliver E. Williamson, *The Mechanisms of Governance* (Oxford University Press, 1996); and Oliver E. Williamson, "The New Institutional Economics: Taking Stock, Looking Ahead," *Journal of Economic Literature*, 38 (September, 2000), pp. 595-613.

[166] See James Buchanan and Gordon Tullock, *The Calculus of Consent: Logical Foundations of Constitutional Democracy* (Ann Arbour: University of Michigan Press, 1962); Gordon Tullock, *The Politics of Bureaucracy* (Washington: Public Affairs Press, 1965); Anthony Downs, Inside Bureaucracy (Boston: Little, Brown, 1967); and William Niskanen, *Bureaucracy and Representative Government* (Chicago: Aldine, Atherton, 1971).

framework within which privatization, expenditure controls and the introduction of markets all hang together."[167] Louis Weschler further argues that "the resurgence of the political right, the spate of taxpayers' revolts, and the move toward privatization of the welfare state all are encouraging our governments toward experiments with principles of public choice in coping in an era of limits."[168] This focus on new institutional economics was predominantly an American occurrence although threads of this theory were also, and increasingly, found in Canadian public administration as well.[169] While there have been numerous models and theories developed from an economic perspective to assist in explaining decisions in the public sector, the two perspectives most pertinent to the study of accountability in the Government of Alberta are public choice and principal-agent.

2.3.1 Public Choice Theory

The emergence of public choice theory exhibited the dissatisfaction with the implicit assumption, held by those who supported the principles of Keynesian welfare economics, that government has the ability to effectively and efficiently correct market failures. James Buchanan, one of the key contributors to public choice theory, argues, "The public directly observed that collectivistic schemes were failing, that politicization did not offer the promised correctives for any and all social ills, [and] that governmental intrusions often made things worse rather than better."[170] This argument also echoes many of the concerns of the neo-liberal theorists yet where they differ is in their explanation of why the Keynesian welfare state failed. Whereas neo-liberals tend to focus on the negative monetary reasons for too much state involvement, public choice theorists focus more on the rationality of an individual for reasons the state should not be too invasive or grand in size.

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[167] L. Flynn as quoted in George Larbi, "The New Public Management Approach and Crisis States," UNRISD Discussion Paper No. 112 (September 1999), p. 14.
[168] Louis Weschler, "Public Choice: Methodological Individualism in Politics," *Public Administration Review*, Vol. 42:3 (May-June, 1982), p. 288.
[169] For example, see Sandford Borins, "Public Choice: 'Yes Minister' Made it Popular, but Does Winning a Nobel Prize Make it True?" *Canadian Public Administration* 31:1 (1988); André Gélinas, "Commentaire sur Public choice: 'Yes Minister' made it popular, but does winning the Nobel Prize make it true?" *Canadian Public Administration* 31:1 (1988); Mark Sproule-Jones, "Science as art and art as science: A response to Professor Borins's paper," *Canadian Public Administration* 31:1 (1988); and Mark Sproule-Jones, *Public Choice and Federalism in Australia and Canada* (Canberra: Australian National University Press, 1975).

The underlying premise of public choice theory is that "decision-makers are rational and that individuals are the best judge of their own welfare."[171] Rationality implies that the choices made by individuals are logically consistent and take into account the costs and benefits of all decisions made. Yet at the heart of public choice theory, based on the concept of rationality, is the premise that a politician or civil servant "acts at least partly in his own self- interest, and some officials are motivated solely by their own self-interest."[172] Anthony Downs recognizes that other factors may also affect a civil servant's behaviour other than self-interest such as pride in performance, loyalty to a program, department or government, and a wish to best serve their fellow citizens.[173] But for other public choice theorists, such as Niskanen, self-interest is the sole motivator for civil servants. For example, Niskanen sees bureaucrats as self- interested utility-maximizers, motivated by such factors as: "salary, perquisites of the office, public reputation, power, patronage...and the ease of managing the bureau."[174]

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[170] James Buchanan, "Public Choice: The Origins and Development of a Research Program," *Public Choice Society*. Retrieved on 01 December 2005: http://www.pubchoicesoc.org/about_pc.html
[171] P.M. Jackson, "Public Choice and Public Sector Management," in *Introduction to Public Administration: A Book of Readings*, J. Steven Ott and E.W. Russell, eds. (Toronto: Longman, 2000), p. 88.
[172] Anthony Downs, *Inside Bureaucracy* (Boston: Little, Brown and Company, 1967), p. 83.
[173] Anthony Downs, p. 2.
[174] For full argument, see: W.A. Niskanen, *Bureaucracy: Servant or Master?* (London: Institute of Economic Affairs, 1973), pp. 7-27.

One of the most popular methods to describe or explain this theory has been through the concept of budget maximization. According to this theory, managers within the public service seek to maximize budgets with the intent to obtain greater power and larger salaries. There is no incentive to be more efficient with public money and hence, civil servants will not reduce the annual budget; instead, each department or agency is expected to always ask for more money, never less than what they received in the past. Budget maximization then results in higher government spending, inefficient allocation among government agencies, and inefficient production within them.[175] Numerous authors have contended this type of self-interested behavior does not promote effective performance in government because politicians and civil servants do not have any incentives to control costs in their respective departments or government as a whole.[176] Given one of the primary reasons new public management principles and techniques were adopted by many governments around the world was to reduce the size of the annual deficits and overall debt level, politicians were concerned about the role civil servants played in maintaining and increasing the size of the state. In other words, politicians viewed civil servants to be an obstacle in improving the fiscal situation since their views did not support those of politicians or citizens-at-large.

In terms of addressing this self-interested behavior, Peter Aucoin notes that public choice theory primarily focuses on "the need to reestablish the primacy of representative government over bureaucracy."[177] Central to the ideas put forward by public choice theorists is the "largely passive role played by the political authority – legislators are effectively limited to either accepting or rejecting the bureau's budget proposal."[178] Aucoin argues that in response to the idea that civil servants have gained power at the expense of politicians and citizens, many politicians have tended to strengthen the oversight controls within government.[179] In contrast to managerialism's principles of decentralization, deregulation and delegation, Aucoin argues that many governments have established processes and structures that support the principles of centralization, coordination, and control. This need for control will be further discussed in the following section.

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[175] John Strick, *The Public Sector in Canada: Programs, Finance, and Policy* (Toronto: Thompson Educational Publishing Inc., 1999), pp. 61-62.

[176] For example, see L. Chapman, *Your Disobedient Servant* (Harmondsworth: Penguin, 1979); Avinash Dixit, "Studies of Incentives in Government Bureaucracies: Power of Incentives in Private versus Public Organizations," *The American Economics Review* (1997); pp. 378-382; and Hal Rainey, "Perceptions of Incentives in Business and Government: Implications for Civil Service Reform," *Public Administration Review* (1979); pp. 440-448.

2.3.2 Agency Theory

Another theory of new institutional economics that had an effect on many governments is agency theory, which is closely related to the ideas underlying public choice. Donald Savoie states that whereas "public choice theory speaks to the limited capacity of politicians to direct the state apparatus; agency theory speaks to the limited capacity of politicians to hold their public administrators accountable."[180] As noted by Savoie, both of these theories became popular in the 1980s with many of the political leaders around the world learning about what these theories said about government and hence, being influenced by the arguments made by public choice theorists. For example, one of Ronald Reagan's senior advisors demonstrates the influence public choice theory had on his analysis of decisions in government when he stated:

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[177] Peter Aucoin, "Administrative Reform in Public Management: Paradigms, Principles, Paradoxes and Pendulums," *Governance: An International Journal of Policy and Administration*, Vol. 3, No. 2 (April 1990), p. 115.

[178] Kenneth McKenzie, "Institutional Design and Public Policy," p. 101.

[179] Peter Aucoin, "Administrative Reform in Public Management," p. 119.

[180] Donald Savoie, *Breaking the Bargain: Public Servants, Ministers and Parliament*, pp. 92-93.

> Do you want to understand why government officials behave the way they do? All you need to know is that they are trying to maximize the budgets of their agencies. Do you want to understand what drives politicians? All you need to know is that they want to be re-elected. Do you want to understand legislation? Just see it as a sale of the coercive power of government to the highest bidder, like a cattle auction.[181]

Similar to public choice, agency theory builds on the assumption that individuals base their decisions on what is best for them.

Agency theory, a branch of public choice, identifies career officials to be the agents and politicians to be the principals.[182] Accordingly, throughout the policy and governing process, the principals rely on the agents to act in a way that reflects the goals and interests of the principals. The central dilemma investigated by principal agent theorists is how to get the civil servant (agent) to act in the best interests of the politician (principal) when the civil servant has an informational advantage over the principal and is presumed to have different interests from the principal. The key unifying features of principal-agent problems are that the principal knows less than the agent about something important and their interests conflict in some way. Thus, principal-agent interaction is fundamentally a contracting problem concerning how much of the value that the agent produces should go back to him/her in the form of a payment. In other words what incentives could be established for civil servants to act in the best interests of the politicians?

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[181] David Stockman as quoted in Donald Savoie, *Breaking the Bargain: Public Servants, Ministers, and Parliament*, p. 93.
[182] Donald Savoie, *Breaking the Bargain: Public Servants, Ministers, and Parliament*, p. 92

Specific to accountability, Peter Aucoin argues, "agency theory speaks to the limited capacity of politicians to hold their public administrators accountable"[183] because the politicians lack the time and the ability to monitor and understand the inner workings of the bureaucracy in great detail. As a result, agents then have opportunities to misrepresent information and divert resources to their personal use. Consequently, it is argued, principals have a need to monitor agents or, alternatively, induce them to cooperate by designing incentive schemes.[184] For example, Mihnea Moldoveanu and Roger Martin argue agency theory "is concerned with devising structural and behavioral measures that minimize inefficiencies in the contractual structure of the firm that arise from imperfect alignment of interests between principals and agents."[185]

Looking at some of the reasons why business plans were established in the Government of Alberta, it is relatively easy to see how the principal-agent theory can be used to explain how accountability should be interpreted and put into operation. The Government of Alberta, in developing its business plans, established a process where not only citizens became more aware of what government intended to do, but in many cases, politicians also had more information than what was previously available. Shortly after the business plans were put in place across government, the politicians also developed a performance management system that rewarded senior civil servants for meeting the goals as set in their business plans. If a principal-agent theory is used to assist in explaining business plans and accountability, in this case, the incentive for civil servants could be to fulfill the goals as outlined in the plan for personal monetary gain. On the other hand, the incentive for politicians would be to establish the business planning process to control and monitor civil servants in a more informative and formal manner than in the past. Hence, the ideal public choice (includes the principal-agent relationship) approach to improving accountability is to develop processes, policies, and structures to control and monitor the relationship between civil servants and politicians.

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[183] Peter Aucoin, "Politicians, Public Servants, and Public Management," p. 117.
[184] Kenneth McKenzie, "Institutional Design and Public Policy," p. 79.
[185] Mihnea Moldoveanu and Roger Martin, "Agency Theory and the Design of Efficient Governance Mechanisms," Rotman School of Management, University of Toronto. February 2, 2001. Prepared for the Joint Committee on Corporate Governance. Retrieved on 07 February 2006: http://www.rotman.utoronto.ca/rogermartin/Agencytheory.pdf.

In the literature on public choice theory and government, the focus has been mostly on the relationship between civil servants and politicians with little focus on the accountability relationship between civil servants and the public or between the state and citizens.[186] As shown in the following chapters, the public choice approach to accountability has been a way how some of the interview participants have interpreted how accountability has been applied in the Government of Alberta in relation to the business planning process.

2.4 A Paradox of Theory – Studying Accountability in Traditional Public Administration, New Public Management and Public Choice Theory

At the outset of the dissertation, the idea that accountability is a subjective concept was introduced and as demonstrated in this chapter, the reasons for this subjectivity vary. Especially in the past two decades, numerous authors have attempted to distinguish between the various interpretations and have endeavored in some cases, to identify how accountability should be defined, interpreted, and applied by government. For example, accountability has been examined in terms of who should be accountable to whom, who should be accountable for what, and what should be the means to ensure accountability. Other authors have focused on distinguishing between objective and subjective responsibility, between indirect and direct accountability, between vertical and horizontal accountability, and between legal, ethical, fiscal, and political types of accountability. Accountability has also been used interchangeably with or compared to other terms such as responsibility, transparency, liability, control, and authority. Similar to what Thomas has argued, J. David Wright argues this subjectivity is due in part "to its chameleon-like quality of being colored by the context in which it is operating and by the perspective of the players in the accountability relationship."[187] In this dissertation, how accountability is interpreted is dependent on whether or not one is a civil servant, an elected member of government, an elected member of an opposition party, or a member of the media.

The different interpretations and applications of accountability are also because of different theoretical perspectives on how a state ought to be managed and are based on certain assumptions on why people act the way they do. As shown in this chapter, there have been numerous arguments put forward on how to improve accountability in government from the traditional public administration, new public management, and public choice perspectives. While each of these approaches to accountability has a different focus and premise, there is a common thread. Each of these perspectives focuses on the relationship between accountability and control and is concerned with the compliance and responsiveness of civil servants to politicians and of the state in general

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[186] In the United States, public choice theorists have also written a great deal on the relationship between interest groups and the state.

[187] J. David Wright, "Exposing the chameleon: Response to Accountability and Public Administration," *Canadian Public Administration*, Vol. 39, No. 2 (Summer 1996), p. 226.

to citizens.[188] Specific to the relationship between civil servants and politicians, the three accountability approaches all address the political-administrative dichotomy. Central to each theory and paradigm, there is the assumption that politicians should control the actions and decisions of civil servants because of the underlying premise that bureaucracies and civil servants are either out of control or at least very difficult to control. According to B. Guy Peters and Christopher Hood, there are several reasons for political systems to focus on controlling civil servants. They argue that it is important to secure loyalty, honesty, and competency because of civil servants involvement in "handling transfers of power from one elected government to another, in personally accounting for the expenditure of public money and in preventing the apparatus of executive government from being used for electoral campaigning."[189]

While the relationship between politicians and civil servants has always been debated in Canada, as shown in this chapter, there have been periods when the relationship was under more scrutiny than other periods. Building on the political-administrative dichotomy presented by Woodrow Wilson in the late 19th century, the ideal relationship between politicians and civil servants was seen to be formal, distinct, and rigid. As commonly discussed within traditional public administration literature, politicians were to develop policy and civil servants were to take directives from politicians and implement policy accordingly. To improve accountability then, the traditional public administration approach supports the political-administrative dichotomy since the roles and responsibilities of politicians and civil servants are clear and concise.

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[188] Frederickson and Smith note that, "Control of bureaucracy theory is an approach to public administration theory particularly associated with matters of compliance or responsiveness." H. George Frederickson and Kevin Smith, *The Public Administration Theory Primer* (Boulder, CO.: Westview Press, 2003), p. 15.

[189] B. Guy Peters and Christopher Hood, "Higher civil servants: neither mutuality implosion nor oversight explosion," in *Controlling Modern Government: Variety, Commonality and Change*, Christopher Hood, Oliver James. B. Guy Peters, Colin Scott, eds. (Cheltenham, UK: Edward Elgar, 2004), p. 130.

Yet, as previously discussed, from the 1950s to the 1970s, numerous authors began to question the reality and appropriateness of this dichotomy and instead, argued that administration and politics were fundamentally intertwined. In other words, politicians were involved to a certain degree in the management of the department and the implementation of policies and contrary to the traditional political-administrative dichotomy, civil servants, to a certain degree, had influence on policy development. Indeed, the idealized conceptualization of ministerial responsibility was being questioned and consequently, the accountability relationship between civil servants and government members began to receive greater attention by those in the public sector and those in the public administration field.

In the 1980s, both in government and public administration literature, the political-administrative dichotomy emerged yet again and found support from those looking for distinctions between political and administrative actions and actors.[190] Further, as shown in this chapter, with the emergence and prominence of new public management and public choice in public administration literature, arguments were made that there was a need to clarify roles and responsibilities and that this was necessary to improve accountability in government. As Peters and Hood have found in their research, there has been a "pattern of tighter oversight and direction from elected politicians over higher civil servants in the parliamentary countries – changing higher civil servants from self-controlling 'mandarins' to 'valets.'[191] Interestingly, the demands for greater control and oversight have occurred at the same time much NPM literature was arguing that red tape needs to reduced, managers should be allowed to manage, and civil servants in general should be delegated authority and empowered to make more decisions than in the past. This mixed message about the appropriate and necessary level of control is the primary paradox within accountability literature in the past decade and will be further explored in the remaining chapters.

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[190] Frederickson and Smith, *The Public Administration Theory Primer*, p. 16.

As discussed in this chapter, the traditional public administration, new public management, and public choice perspectives represent a distinctive approach to understanding accountability in government. The next three chapters will examine how those who were interviewed for this study reflect these different interpretations of accountability. They will develop the claim made in chapter one that accountability in the Government of Alberta is by no means a homogenous concept; instead, accountability represents the complexity and paradoxes representative in public administration literature. As noted earlier, the main paradox concerns the clash between proponents who support centralization of control with sufficient oversight mechanisms to improve accountability and those proponents who develop a more business-like governing environment where business principles and techniques, such as decentralization, deregulation, depoliticization, and empowerment, are adopted. As B. Guy Peters notes, the "loosening of institutional rules or procedures that control the behavior of civil servants…clashes with a prevailing concern for accountability and control."[192] Despite the complexity and paradoxes, the three approaches all support the traditional political-administrative dichotomy so the business planning process is really just a reformulation of this relationship. It is a formal, structural, and procedural alteration to the relation between politics and administration but does not challenge the underlying assumption about who should develop and implement public policy and ultimately, who should be accountable for what. Instead, business planning reestablishes and formalizes the idealized version of the traditional political-administrative dichotomy.

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[191] See: Peter Aucoin, Administrative reform in public management – paradigms, principles, paradoxes and pendulums," *Governance*, Vol. 3 (1990); M. Maor, "The paradoxes of managerialism," *Public Administration Review*, Vol. 59 (1999), pp. 5-18; and R.A.W. Rhodes and P. Weller, eds. *The Changing World of Top Officials: Mandarins of Valets?* (Philadelphia: Open University Press, 2001).

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[192] B. Guy Peters, *The Politics of Bureaucracy*, Third Edition (New York: Longman, 1989), p. 253.

Chapter Three – Accountability and Planning in the Government of Alberta: The Klein Revolution

3.0 Introduction

The Government of Alberta, under Ralph Klein's leadership since late 1992, has often been viewed to be a leader in government reform.[193] Dubbed the 'Klein revolution,'[194] the changes are typically associated with reducing the number of civil servants, eliminating the deficit and debt through expenditure reduction rather than tax increases, restructuring governance mechanisms, reducing the level of government intervention, focusing on performance and results, and adopting socially conservative policies. Underlying this revolution is the government's support of certain political values such as 'common sense,' accountability, transparency, efficiency, effectiveness, and competition. To buttress such values and policies, the Klein government developed an integrated and comprehensive business planning, performance measurement, and public reporting system replete with accountability and fiscal responsibility legislation to guide and ensure such activities would take place.

In one sense, the Klein revolution challenged many of the traditional public administration processes and structures; however, many of the fundamental components remained intact despite the many business-like procedural and structural changes that were made. For example, the Klein government remained committed to traditional governing concepts such as ministerial responsibility, hierarchical reporting, and the neutrality and anonymity of civil servants. What significantly changed was the Klein government's commitment to improving accountability, transparency, and performance and the government-wide legislation, policies, and systems put in place to support such values. Another related noteworthy change was the Klein's government commitment to financial management. In direct opposition to the Keynesian approach to fiscal administration, the Klein government passed balanced budget legislation that prohibited the government from incurring annual deficits.

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[193] For example, see the Wall Street Journal, 23 February 1995, p. A12. Further, as found in the interviews, numerous civil servants who were in the Alberta public service during the early years of the Klein government commented that they would often receive calls and e-mails from other jurisdictions seeking information and general advice on performance measurement, business plans, and accountability.
[194] Mark Lisac, *The Klein Revolution* (Edmonton: NeWest Press, 1995).

As evident, the Klein government, while not completely shunning the traditional structures and processes in place, supported the new public management approach to reforming government. Indeed, Allan Tupper notes that the Klein Revolution "elevated new public management to the status of secular religion."[195] Building on what was discussed in the previous chapter, it will be shown that the Government of Alberta moved away from the idea of the welfare state and moved toward a more neo-liberal and new public management conception of the state where principles such as efficiency, effectiveness, competition, accountability, and economy became increasingly important to how the Government of Alberta governed, managed, and delivered services.

Yet the Government of Alberta did not fully adopt the NPM paradigm in the sense that it did not decentralize the decision-making process. The government did not loosen the oversight controls to allow 'managers to manage;' instead, the government created additional structures and procedures to direct and monitor the performance of civil servants. Interestingly enough, although additional controls were placed on civil servants to report to government, overall, there was barely any negative backlash to the new planning, accountability, measuring, and reporting processes in the civil service. In fact, it appeared that many of the civil servants were indeed advocating changes along with the government and hence, became part of the development and implementation group. While one could argue that the civil service may have become politicized to a certain extent given the Conservatives long tenure in power, there is no evidence to suggest this has happened. Instead, similar to many other governments around the world at the time, the application of business principles and techniques was seen as a tool to improve performance, management, service delivery, and accountability.

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[195] Allan Tupper, "New Public Management and Canadian Politics," *Reinventing Canada: Politics of the 21st Century*, Janine Brodie and Linda Trimble, eds. (Toronto: Prentice Hall, 2003), p. 241.

Given the perceived financial crises of the Klein government, in one sense, it is not surprising to see the Klein government adopt an entrepreneurial, businesslike approach to governing, managing, and delivering services given their more right-wing political stance and the fact that many other governments at the time were preaching the benefits of NPM. It is also important to remember that a reason why civil servants may not have had a hostile reaction to the many changes implemented by the Klein government is that many civil servants were being given exit packages of some variation in an effort to reduce the size of the civil service. In this sense, there may have been some level of fear about the ability of civil servants to react negatively toward the government's changes because of the possibility of being laid off. Additional research needs to be conducted to gather more evidence to determine the actions of civil servants towards the changes made by the Klein government.

Nevertheless, this chapter will build on the theoretical framework discussed in the last chapter and will argue that the Klein government incorporated many of the primary components of the new public management paradigm to the government's accountability framework. It will also be demonstrated how the traditional public administration and the public choice approaches to interpreting accountability were found in the interview results and hence, although new public management is the dominant approach, we find that in Alberta, the accountability framework is a hybrid of theoretical approaches. Overall, this chapter establishes the context in how accountability was conceived by the interview participants. It begins by briefly examining the political environment in Alberta and the type of accountability and planning structures and processes in place prior to the Klein government. The chapter then discusses how the Klein government restructured its policies, structures, and processes with the intent to improve accountability. Based on the results of the interviews, the final section of the chapter examines the different reasons why business plans were established and what the context was for interpreting accountability.

3.1 Planning and Accountability Before the Klein Revolution

To have a more in-depth understanding of the changes that took place when Klein's government came to office, it is necessary to have an understanding of what the political landscape was like prior to the early 1990s. While there are similarities between the Lougheed, Getty, and Klein governments, there are also differences in terms of how the governments managed and what their priorities were. There are numerous external variables that can influence how a government responds to an issue, develops its priorities, allocates its resources, and interacts with its citizens. For example, environmental issues, global events, technological changes, social trends, and economic conditions can all influence how a government manages, governs, and delivers its services. As Tupper, Pratt, and Urquhart have argued though, there are some common variables that have influenced the political landscape in Alberta. The authors argue, "Alberta's chronic economic instability, its dependence on primary resource production and its acute vulnerability to external forces, both economic and political, exert an extraordinary influence on government."[196] Indeed, all of these factors influenced how the Lougheed, Getty, and Klein Conservative governments developed policy, spent money, and addressed accountability issues. This analysis takes into account the secondary research conducted on Alberta politics but it also examines the interview comments made about the era prior to the Klein revolution. The interview participants were asked to comment on the differences and similarities between the Klein government and the Getty and Lougheed governments and when possible, to focus specifically on planning and accountability.

3.1.1 The Economic Climate Before the Klein Revolution

In 1971, the Progressive Conservative party came to power in Alberta. The priorities for the new Conservative party, under the leadership of Peter Lougheed, were to diversify the economy, manage Alberta's natural resources, ensure Alberta's interests are communicated to and recognized by the rest of Canada, and improve health, research, and recreational facilities across Alberta. The economy at the time Lougheed came to power, in contrast to the rapid economic growth after the discovery of oil between 1946 and 1956, exhibited relative stability where the economy grew at a rate at or slightly above the national average.[197] Yet this economic stability was short-lived. In 1973, in response to the OPEC oil embargo, the Lougheed government increased its share of energy rents and one of the changes put in place tied royalties to the energy prices. This change significantly increased the amount of revenue collected by the provincial government. For example, the Alberta government collected $260 million in royalties in 1972 compared to $560 million in 1974.[198] Moreover, Alberta's average real per capita resource revenue increased steadily during the 1970s where at the pinnacle in 1980, it reached just over $1000.[199] During Lougheed's first term in office, the government also reduced and eliminated taxes in certain areas, increased the tax exemption levels for lower income groups, and decreased the small business corporate tax. Despite the government implementing tax cuts and spending millions of dollars to improve Alberta's infrastructure and services, the government still ran large fiscal surpluses at the same time having the lowest level of taxation in the country.[200]

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[196] Allan Tupper, Larry Pratt and Ian Urquhart, "The Role of Government," *Government and Politics in Alberta*, Allan Tupper and Roger Gibbons, eds. (Edmonton: University of Alberta Press, 1992), p. 31. In a study conducted by Robert Mansell and Michael Percy, they found that Alberta's economy is the most unstable in Canada (based on data covering 1961 and 1985). Robert Mansell and Michael Percy, *Strength in Adversity: A Study of the Alberta Economy* (Edmonton: The University of Alberta Press, 1990), pp. 76-77.

[197] Robert Mansell, "Fiscal Restructuring in Alberta: An Overview," p. 21.

The interview results from each of the interview categories represented this image of a government that was resource-rich, interventionist, and committed to improving and diversifying Alberta's economy. For example, a media interviewee stated, "Lougheed was throwing around money like it was growing on trees which it was at the time."[201] Similarly, in recalling the Lougheed years, one of the civil servants noted that "in the past, there was a sense of endless possibility as there was lots and lots of money and no shortage of ideas and dollars to apply to research and program delivery."[202] The senior civil servant further commented that the Lougheed government was engaged in many leading edge endeavors such as the computerization of government, general restructuring of both government and the economy, and social engineering.[203]

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[198] Ibid., p. 23.

[199] Ibid. Mansell also comments that "in comparison, the average real per capita resource revenue for the other provinces has typically been less than $50," p. 23.

[200] Leslie Pal, "Political Executive & Political Leadership," p. 20.

[201] Interview participant, Media. Edmonton, Alberta. August 1999.

[202] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.

Several interviewees from all categories also commented on the animosity between the federal government and the Alberta government during this time period. With the establishment of the National Energy Program, the federal government demonstrated that it wanted more control over the country's energy resources and correspondingly, that Alberta's oil profits should be shared with the rest of the country. In response to the federal government's intentions and actions, a civil servant noted that during the Lougheed era, "the problem was spending money; it wasn't conserving it or justifying money…It was how do we hide oil revenues, because there was a big concern that the federal government or other provinces would come in and say that it is unnatural for a province to have that much money."[204] This focus on spending money without a long-term strategic plan in place was significantly different from the Klein government where in the reverse fiscal situation, the initial focus was on reducing governmental expenditures and spending a great deal of time justifying all programs and services delivered by government.

Almost a decade after Lougheed had been in power, the economy took a downturn. Allan Tupper, Larry Pratt and Ian Urquhart note that in the early 1980s, "…the economy was battered by a succession of external shocks that revealed the province's continuing vulnerability to federal energy policies, the volatility in energy and agricultural markets, rapid technological change, and other forces beyond regional control. "[205] Naomi Caiden further argues that "stagnation, inflation, unemployment, and weakening productivity and investment severely affected budgets, resulting in large and persistent deficits"[206] in many industrialized countries during the 1980s. This economic instability during the early 1980s was reflected in the Government of Alberta's revenues and expenditure policies. For example, in the mid-1970s, the government averaged between $2 and $3 billion annually in fiscal surpluses; however, the economy and other external variables began to have a negative influence on Alberta's fiscal situation. In 1982/83, the Government of Alberta incurred a small deficit and in the following budget year, there was a surplus but it was not as large as the surpluses had been in the mid-1970s.[207]

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[203] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.
[204] Interview participant. Senior Civil Servant. Edmonton, Alberta. August 1999.

One of the primary reasons for this fluctuation is there was a drop in resource revenues. Tupper et al. found that "in 1970, Alberta's resource revenues were $233 million. Ten years later the total was $4,657 billion or twenty times the 1970 figure."[208] Indeed, Melville McMillan and Allan Warrack observe that between 1978 and 1981, Alberta's revenues from natural resources accounted for more than 50% of the province's total revenues.[209] Yet with the collapse of world petroleum prices in 1986, the amount of revenue significantly decreased. As Tupper et al. note, "in 1986 alone resource revenues fell by sixty-three per cent."[210] Just prior to the drop in revenues, Lougheed resigned in

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[205] Allan Tupper, Larry Pratt, and Ian Urquhart, "The Role of Government" *Government and Politics in Alberta*, Allan Tupper and Roger Gibbons, eds. (Edmonton: University of Alberta Press, 1992), p. 32.
[206] Naomi Caiden, A New Generation of Budget Reform," *Taking Stock: Assessing Public Sector Reforms*, B. Guy Peters and Donald Savoie, eds. (Montreal: McGill-Queen's University Press, 1998), p. 252.
[207] Robert Mansell, "Fiscal Restructuring in Alberta: An Overview," pp. 24- 30.
[208] Allan Tupper, Larry Pratt and Ian Urquhart, "The Role of Government," p. 48.
[209] Melville McMillan and Allan Warrack, "One Track (Thinking) Toward Deficit Reduction" *The Trojan Horse: Alberta and the Future of Canada*, Gordon Laxer and Trevor Harrison, eds. (Montreal: Black Rose Books, 1995), p. 136.
[210] Allan Tupper, Larry Pratt and Ian Urquhart, p. 48.

1985 and as one civil servant interviewee noted, "his timing was impeccable."[211] By 1986, when Don Getty was in his first year of governing, resource revenues fell to less than 25% of provincial government revenues.[212] As Mansell argues, "resource revenues fell from about $4.5 billion in 1980/81 to $1.4 billion in 1986/87"[213] leaving the newly elected Getty government with a much more challenging economy to deal with than the previous government.

Having been first elected to the provincial legislature in 1965, Don Getty had been one of the major figures in Lougheed's government serving as Minister of Federal and Intergovernmental Affairs and Minister of Energy and Natural Resources. After leaving politics in 1979 to return to the private sector, he returned to politics in 1985. At that point in time, he was elected leader of the party and was sworn in as Premier. With the unexpected turn in the economy, Don Getty's term in office was not as politically or economically stable as his predecessor. Lougheed left government just at the height of oil prices when the price was $40 a barrel and there was anticipation by both the government and the private sector that oil was going to increase to $70 a barrel. What actually happened is that oil plummeted to approximately $13 a barrel creating an unforeseen spending problem for government. As Getty noted himself, "he inherited an economy and budget based on $40 oil – and the price of oil was $13."[214] Not only did oil prices plunge, grain prices dropped and natural gas prices plummeted following the deregulation of gas markets and prices. In response, numerous tax increases were implemented and efforts to reduce government expenditures were put in place in the 1986/87 budget. In the 1987/88 budget, the goal was to reduce program expenditures by 6.3 per cent and to have a balanced budget by 1990/91.[215] Throughout the rest of Getty's term in office, program spending fluctuated and "for the period 1986/87 to 1991/92, the annual deficits averaged $2.3 billion."[216]

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[211] Interview participant, Senior Civil Servant. Edmonton, Alberta. June 1999.

[212] Melville McMillan and Allan Warrack, "One Track (Thinking) Toward Deficit Reduction" *The Trojan Horse: Alberta and the Future of Canada*, Gordon Laxer and Trevor Harrison, eds. (Montreal: Black Rose Books, 1995), p. 136.

[213] Robert Mansell, Fiscal Restructuring in Alberta: An Overview," p. 29.

[214] Don Getty as quoted in Paul Booth, "Economic Reality and the Perceptions of Budget Makers," Research Paper No. 94-7 (Edmonton: Department of Economics, University of Alberta), p. 7.

Not surprisingly, in the late 1980s and early 1990s, the media and the public began to "attack the Conservative record in running up the deficit as well as its management skills in dealing with such problems as the Gainers strike, the Principal collapse, and the Novatel loan guarantees."[217] Members of the opposition were also increasingly wary of how the Getty government managed and governed. One then-opposition MLA noted that in the Getty years, "you needed to be a forensic accountant to understand the books."[218] The interviewee then stated to assist the opposition during budget time, the party would often have volunteer forensic accountants assist them to interpret the numbers and seek information about what may have been hidden within the budget message. The interviewee further commented that, "towards the end of the Getty years, nobody believed the numbers because the revenue figures appeared to accommodate the expenditures" [219] despite the highly publicized drop in government revenues and the lack of a significant reduction in the size of government and the number of services delivered by government. Not surprisingly, as another former member of an opposition party noted, cynicism toward government was festering during this period, as people increasingly did not believe "there was a link between the provincial tax dollar and any outcome that improved or impinged the quality of citizens' lives."[220] As this interviewee further contended, "it was as though those billions of dollars were put into a hole."[221] All of the opposition member interviewees expressed some level of reservation about the accuracy and comprehensiveness of the budget documents during the Getty years.

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[215] Robert Mansell, "Fiscal Restructuring in Alberta: An Overview," pp. 28-30.

[216] Ibid., p. 30.

[217] David Stewart, "Klein's Makeover of the Alberta Conservatives," *The Trojan Horse*, p. 35.

[218] Interview participant, Opposition member. Edmonton, Alberta. July 1999.

The underlying strategy for the Getty government to deal with the upturns and downturns of the economic cycle was to continue to support the Keynesian interventionist approach. As one media interviewee noted, "Getty decided to run deficits and his government ran huge ones. They believed that the power of government could regulate the economy, not completely, but they thought that government had a role in the economy and that when times were tough, government could take up some of the slack."[222] Interestingly, an opposition MLA interviewee commented that one of the biggest differences between Klein and the other two premiers is that with Getty and Lougheed, there was a sense that government had a proactive role to play in bettering society. With Klein, government was seen to be a "necessary evil to the extent that you have to have it."[223]

This minimalist approach to government was not unique. This shift reflected the waning influence and support of Keynesian macroeconomic theory in many governments around the world. As Caiden observes, "the more conservative ideas of neo-classical economics suggested that government was part of the problem, not the solution; that rising government expenditures without any perceived limit posed a threat to economic

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[219] Interview participant, Opposition member. Edmonton, Alberta. July 1999.
[220] Interview participant, Opposition member. Edmonton, Alberta. July 1999.
[221] Interview participant, Opposition member. Edmonton, Alberta. July 1999.
[222] Interview participant, Media. Edmonton, Alberta. July 1999.
[223] Interview participant, Opposition Member. Edmonton, Alberta. July 1999.

productivity; and that revenues and expenditures should be balanced."[224] In this sense, the Klein government's rejection of Keynesian welfare economics and support of a neo-classical economics' approach to managing government represented the wider public sector management trends taking place in industrialized countries during the 1980s and 1990s.

When Getty resigned from government in 1992 and Klein was elected to be the next leader of the Progressive Conservative party, the economy was still in a dismal state. In 1993, the Klein government was faced with a "structural deficit of about $2.5 billion, the fastest growing debt in the country (by a wide margin), real per capita expenditures significantly above the average in other provinces, and the likelihood of further downgrades in the province's credit rating."[225] Yet despite the initial economic and monetary challenges, the economy began to slowly improve and the price of natural resources began to rise, which then increased government revenues. In comparing Getty's to Klein's term in government, the vast majority of the interviewees from each of the categories commented how the economy influenced each government's popularity and one media interviewee noted that "if Getty had the oil prices that Lougheed and Klein did, he would still be in power."[226] Another former civil servant noted that, "Getty spent most of his career getting beat up because he inherited a revenue problem. Klein comes in and inherits a bonanza."[227] As one former opposition MLA aptly stated that in reference to the political fortunes of Getty and Klein, "it is always easier governing when the economy is picking up than when the economy goes into a downturn."[228]

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[224] Naomi Caiden, A New Generation of Budget Reform," p. 253.
[225] Robert Mansell, "Fiscal Restructuring in Alberta: An Overview," p. 62.
[226] Interview participant, Media. Edmonton, Alberta. July 1999.
[227] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.

Gillian Steward notes that Klein "rode into the premier's office on a wave of conservative angst over deficits and debt, big government, and elitist politicians."[229] In response to this angst, numerous changes were made to the structure and processes of the Alberta public service once Klein became leader. Amongst the numerous reforms, many of the services traditionally delivered by the provincial government were devolved to the municipal level, outsourced, or privatized. Furthermore, significant cuts were made to the expenditures of each ministry and a more entrepreneurial environment was encouraged that focused on efficiency, economy, and competition. Legislation was also enacted to ensure the government would put forward a balanced budget on an annual basis.

Pertinent to this dissertation, the Klein government also restructured the accountability framework in government. In 1995, the Legislative Assembly passed the Government Accountability Act, with the intent to signal the Klein's government's commitment to measuring, reporting and improving on the effectiveness of publicly funded programs.[230] Moreover, within the Act was information on the components of the government and ministry business plans and the need for the ministry plans to link to the government-wide business plan.[231] Accountability then became formally and legislatively linked to business planning in the Government of Alberta. In response to legislating accountability, business plans, and fiscal responsibility in the Government of Alberta, one of the opposition members commented that:

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[228] Interview participant, Opposition Member. Edmonton, Alberta. August 1999.

[229] Gillian Stewart, "Klein the Chameleon", *The Trojan Horse*, p. 31.

[230] Government of Alberta, *Government Accountability Act*. Chapter G-7.

[231] See sections 7 and 13 of the *Government Accountability Act*.

> When you look at the evolution of the first term of the Klein years, why did they continually bring in legislation that restricted their ability for discretion of judgment? It was because they realized that people didn't trust politicians. People have a distrust of the ability of government to predict, to deliver, and be informed about true state of finances. A lot of what happened in that first term represents a response to public mood that politicians were untrustworthy and that the province was going to hell and had run into the wall.[232]

One of the government members substantiated this claim in stating that the decision to legislate fiscal responsibility and accountability was deliberate: "our thought was by legislating these changes, it will make it very public and the public will support that effort."[233] The key message coming from the new Klein government was that it was going to be a more transparent, fiscally responsible, consultative, and accountable government and to do so, massive changes were needed to how government traditionally managed and operated. Building on the analysis from the previous chapter, it is important to reiterate that in the Klein government's effort to become more accountable, the government was also able to develop the framework upon which the government was to be assessed.

3.1.2 Financial Management and the Budget Process

One of the most significant differences between the Klein government and the two former Conservative governments were the changes made to the budget and financial management procedures. After the Klein government's frustration with Keynesian macroeconomic theory as the only way to manage government and the economy, the

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[232] Interview Participant, Opposition Member. Edmonton, Alberta. July 1999.
[233] Interview Participant. Government Member. Edmonton, Alberta. August 1999.

Klein government, similar to many other governments, adopted budget reforms that had clear political and ideological goals. As Caiden argues the reforms were "intended to bring public resources and public spending into line, and to curb government expenditures as a means of cutting back the role of government."[234] Building on what was discussed in the previous chapter, this approach reflects the main principles of neo-liberalism, new public management, and to a certain extent, public choice theory. Before discussing the Klein government's approach to financial management in greater detail, it is first of all important to describe how the Getty and Lougheed governments approached these two activities to understand the reasons and context for the changes.

As Robert Adie and Paul Thomas argue, the early budgeting process in government "emphasized financial control defined narrowly in terms of rendering the executive accountable to the legislature."[235] Financial control and the reporting relationship between the executive and legislature are still important, but over the decades, the budgeting process in Canada has expanded in meaning and scope. For example, instead of budgets being used strictly as a financial control mechanism, budgets have come to be used as a tool to manage the economy and to manage the operation of programs and services in government instead of only being a tool to provide general funding to a department.[236] Indeed, both the Lougheed and Getty governments used the budget process to manage the economy but there is little evidence to suggest either government used the budget process to improve the management of programs and services. Under the Klein government, business plans were established for each department and were designed to be included as part of the budget documents.[237] Further, they were designed to be integrated with one another as opposed to being developed in isolation of each other. Before going into greater detail about the differences in planning, it is important to note one more difference concerning the budget process.

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[234] Naomi Caiden, "A New Generation of Budget Reform," p. 252.
[235] Robert Adie and Paul Thomas, *Canadian Public Administration: Problematical Perspectives*, Second Edition (Scarborough: Prentice-Hall Canada Inc.: 1987), p. 252.
[236] Adie and Thomas, pp. 252-253.

One of the primary differences between the Klein government and the Lougheed and Getty governments was the shift in how decisions were made about the budget. Prior to the Klein government, the budget process was incremental.[238] For example, when developing their annual budgets, the Lougheed and Getty governments used the previous year's budget to act as a funding base and a guide to how money should be spent in the following year. Central to this type of budget process was the lack of systematic and comprehensive evaluation of programs and services on an annual basis that ideally would have determined the effectiveness, rationality, and efficiency of each program and service. Evaluating each service and program would have determined if funding should have been increased, decreased, or remained the same and whether or not a service or program should be restructured, dismantled, or continued to be delivered in the same manner. Substantiating this finding, one of the civil servants stated, "budgeting was a wish list. There was not any cost-benefit analysis or any reflection on relative priorities; instead, everyone was equal in the sense that there was no prioritizing across programs."[239] One government interviewee further noted that, "programs got eliminated only in response to crises and new programs got added all the time because of some new inspiration. Old programs only got cancelled if there was an intense desire to do so, and that meant a crisis around it."[240]

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[237] Interview participant, Senior Civil Servant (multiple responses). Edmonton, Alberta. July 1999.
[238] Interview participant, Senior Civil Servant. Edmonton, Alberta. August 1999.
[239] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.

During the interviews, the vast majority of the civil servants and politicians (both government and opposition members) commented that incremental budgeting significantly influenced how departments behaved. Most notably, both interviewee categories all stated under incremental budgeting, civil servants adopted a 'spend it or lose it mentality' within their departments whereby departments made sure they spent all of their allocated money for fear of coming in under budget and having their budget cut in the upcoming year. For example, a former civil servant commented, in the Lougheed era, "you were judged by how much you asked for the next year. You never asked for the same amount. That was ridiculous – you always asked for more and you usually got it...Getty inherited the government, he inherited the structure, and he inherited the ethics."[241] Moreover, a politician who had been in power prior to Klein and then became a minister in Klein's government observed that:

> …the old, traditional way of governing was where departments ran the show. The department came forward with their budget and if they didn't meet their budgets during the year, the department would come back and would get more money. There was no exercise of control. The discipline wasn't there and that was something that was a major change [in the Klein government] – it was putting in the whole discipline process into the point where it is legislated now.[242]

As expressed by several other politicians, there was some concern that civil servants had more information and control than politicians in how departments operated and managed their funds in the Lougheed and Getty governments.[243] This concern also reflects one of the primary arguments made by public choice theorists.

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[240] Interview participant, Government Member. Edmonton, Alberta. July 1999.
[241] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.
[242] Interview participant, Government Member. Edmonton, Alberta. August 1999.

As discussed in the previous chapter, one of the major themes within public choice theory is the budget-maximizing bureaucrat.[244] W.A. Niskanen, one of the leading public choice theorists, has argued bureaucrats make decisions based on self-interest that are related to an individual's "salary, perquisites of the office, public reputation, power, patronage, output of the bureau, ease of making changes, and ease of managing the bureau."[245] As such, bureaucrats are said to have a direct personal interest in the size of their department's budget because salaries may increase, opportunities for advancement may improve, working conditions may improve because more money may be available for capital and office expenditures, morale may improve because of extra money for training and travel, and bureaucrats may gain personal prestige and power as their department increases its profile and budget within government. In the interviews, the vast majority of politicians (both government and opposition members) and civil servants stated that the 'spend it or lose it' method of budgeting led to 'empire-building' and the growth in the size and expenditures of departments. For example, one of the civil servants noted that prior to Klein, "there wasn't a lot of discussion on the role of government. Instead it was about getting a bigger budget, bigger staff, and a corner office."[246]

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[243] Interview participants, Government Members. Calgary/Edmonton. July/August 1999.
[244] For example, see: Andre Blais and Stephane Dion, eds. *The Budget-Maximizing Bureaucrat: Appraisals and Evidence* (Pittsburgh, PA: University of Pittsburgh Press, 1991); W.A. Niskanen, *Bureaucracy and Representative Government* (Chicago: Aldine Publishing Company, 1971).
[245] W.A. Niskanen, *Bureaucracy and Representative Government*, p. 38.
[246] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.

Interestingly, another civil servant commented that despite the changes made by the Klein government, he was unsure if the mentality of empire-building had changed since there are not revolving budgets that allow departments to financially plan beyond one year.[247] The new business planning process required departments to develop a three-year plan, but the financial cycle of government still operated on a one-year timetable. According to about three quarters of the civil servant interviewees, the 'spend it or lose it' mentality still prevailed in departments even with all of the changes implemented by Klein's government. In this sense, the concerns raised by the vast majority of interviewees about the budget-maximizing and empire-building civil servant not only applied to the Lougheed and Getty governments, but to the Klein government as well. Yet the 'spend or lose it mentality' in the Klein government has been somewhat tempered by the business planning process in that it requires departments to justify their programs, services, and policies on a regular basis and in a public manner.

Although remnants of incremental budgeting remained when Klein's government came to power, the Klein government did attempt to adopt a more performance oriented budget process. Instead of departments relying on the previous year's budget to make future fiscal projections, when Klein's government first came to power, each department was required to justify each program and service they delivered and each civil service position.[248] This approach to developing a budget is similar to the extreme form of zero-based budgeting that requires an organization to justify each expenditure on an annual basis. For any government to conduct this type of budget analysis on an annual basis would be unlikely given the amount of time and resources required to do this type of work. As noted by Adie and Thomas, a more popular form of zero-based budgeting tended to involve three operational steps: "the identification of decision-units within organizations, the preparation by unit managers of decision-packages involving analysis of spending above and below the expenditure base of the preceding year and the ranking of those packages in terms of their contribution to the overall goals of the organization."[249] The Klein government adopted this more relaxed form of zero-based budgeting when it developed and formalized the planning function in departments and when departments developed budget scenarios and linked their business plans to the overall goals of government.[250] Performance budgeting was also enhanced when the government not only focused on the inputs and outputs of a program or service, but also the outcomes or results when developing or monitoring the budget. In the past, incremental budgeting tended to assign funding according to inputs and functions (e.g. computers, personnel) rather than a program's objectives or proposed outcomes.[251]

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[247] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.
[248] Interview participant, Government Member. Edmonton, Alberta. August 1999.

Indeed, when the Klein government came to power, numerous changes were made to the budget process. Paul Boothe identified several changes the Klein government made to the budget process including the use of public consultations and expert panels that were designed to provide input and guidance on the budget process and content. The Klein government also established legislative constraints on budgeting, restructured the budget process within departments, reorganized the cabinet and caucus budget decision-making processes, and developed new methods of evaluating performance and monitoring results flowing from budget initiatives.[252] Another significant change was that instead of a department developing a fiscal plan for one year, the business planning process required each department to develop a three-year fiscal business plan and budget. Central to this new timeframe was that "the focus was explicitly on the final year target, rather than on the next budget year. Indeed, budgeting for intervening years was simplified once the end-point target was set."[253]

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[249] Robert Adie and Paul Thomas, pp. 287-288.
[250] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.
[251] Robert Adie and Paul Thomas, p. 264.
[252] Paul Boothe, "The New Approach to Budgeting in Alberta," p. 216.

3.1.3 Planning in Government

Significant changes were not only made to the budget process but to the planning procedures as well. To develop a better understanding of the changes made by the Klein government, interviewees were asked to compare the planning environment under Klein to the planning environment under Lougheed and Getty. The majority of responses amongst all of the interviewee categories were similar but there was some minor disagreement amongst some of the civil servants and politicians (both government and opposition members) about when the changes to planning began to take place. The area where there was general agreement amongst the respondents had to do with the level of coordinated planning in government prior to Klein gaining power and when it started to take place. Indeed, a very small number of interviewees stated that while there may not have been government-wide planning, there was some department-wide planning taking place prior to the Klein government.

Indeed, the primary theme arising from the interviews was that there was little coordination or overall strategic vision on how the government planned prior to the implementation of business plans in the Klein era. For example, an executive civil servant noted that "before business planning, there was planning in government, but the template wasn't uniform across the government and there wasn't any direction from the government overall."[254] As the majority of civil servant and government member interviewees noted, when a department made a decision, for the most part, it would not look at the influence it had on other government departments or programs. Instead, departments were more apt to state, as one senior civil servant noted, "I have a specific need I have identified here that needs to be dealt with and the department would deal with the issue often in isolation of related programs and services in other departments."[255] Another civil servant substantiated this silo approach by noting that "there were broad objectives and strategies set for some ministries but each department did it its own way, as it was not a standardized process."[256] Moreover, another civil servant that served in all three Conservative governments further commented that prior to Klein, there "wasn't a strong government vision or even departmental visions and that decisions and actions seemed to be a lot more ad hoc and random."[257] This is not to say that planning per se was not important to Lougheed or Getty. For example, in Lougheed's case, planning was important inasmuch as it related to diversifying the economy but as noted, the scope and the mechanisms for planning were different than in the Klein era. Specific to Getty, a member of the business community, who had worked closely with both the Getty and Klein governments, further noted that the Getty government "did not have a strategic plan to provide direction in making decisions nor did it develop an alternate vision of governing once oil prices started to drop"[258] but some level of planning did take place.

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[253] Ibid., p. 224.

Another defining aspect of planning prior to Klein was that the government tended to focus on inputs and outputs and not so much on outcomes of programs and services. For example, a former civil servant noted that "outcomes was a word they weren't thinking about in the 1980s; they were thinking about structures and processes."[259] In other words, what was often emphasized in plans was the money being spent on a program and the number of people served rather than focusing on the expected outcomes of the program or policy. It was not until the early 1990s when there was increased interest from those in government to talk about "what government is achieving rather than defining everything that the government is doing in terms of money spent."[260] Overall, the vast majority of the interviewees from each of the categories agreed that under the Lougheed and Getty governments, planning was ad hoc, reactive, input and output focused, and department-oriented.

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[254] Interview participant, Executive Civil Servant. Edmonton, Alberta. August 1999.
[255] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.
[256] Interview participant, Senior Civil Servant. Edmonton, Alberta. August 1999.
[257] Interview participant, Executive Civil Servant. Edmonton, Alberta. October 1999.

As noted earlier, there was some disagreement amongst the interviewees about where the concept of business planning originated. While Alberta Treasury, Jim Dinning, and Ralph Klein were acknowledged as the key actors who supported, initiated, and developed the business planning process, there were other actors who were also recognized as having made contributions to the process. For example, Mark Lisac, author of *The Klein Revolution*, argues that the policies of the Klein government were developed long before Klein became premier. According to Lisac's analysis, many of the policies adopted by the Klein government were initially developed by senior ministers, business leaders with government connections, and senior bureaucrats in Alberta Economic Development during the Getty era. Lisac further argues that a restructuring plan existed when Klein won the leadership of the Conservative Party in December 1992

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[258] Interview participant, Private Sector. Edmonton, Alberta. September 1999.
[259] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.
[260] Interview participant, Executive Civil Servant. Edmonton, Alberta. August 1999.

and as soon as he became leader, he began to implement it.[261] Several executive civil servant interviewees commented that although the restructuring plans were not called business plans, they had essentially the same characteristics and components of the business plans implemented under the Klein government.

There were also several civil servants and politicians (both government and opposition members) who stated the seeds of the business planning process originated in certain departments in the Getty government. For example, several government members and senior civil servants argued the framework of a business plan and the idea of business planning in government in general were apparent in Alberta Labour in the late 1980s and early 1990s.[262] According to one senior civil servant, Alberta Labour had developed an internal business plan in the late 1980s with the goal to look for ways to outsource some of the department's services.[263] One of the government members also commented that in the late 1980s, Alberta Labour was discussing outcomes and the need for zero-based budgeting and argued that it was important to "build your budget from the bottom up rather than developing one from an accumulation of what was done before."[264] When I asked interviewees about the influence of Alberta Labour's initiatives on the Klein business plan, a few respondents acknowledged that the department had significantly contributed to the Klein framework whereas the vast majority of interviewees were unaware of the department's contributions and activities. Finally, a few others stated that their influence was minimal and that the seeds of business planning rested elsewhere.

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[261] Mark Lisac, *The Klein Revolution*, pp. 81-92.
[262] Interview participants, Government Member, Opposition Member, Senior and Executive Civil Servants. Edmonton/Calgary, Alberta. July/August 1999.
[263] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.

Another department that was given credit for their attention to planning and accountability issues in the Getty era was Alberta Health. According to ten comments made by both civil servants and politicians (government member and opposition), the department began to discuss accountability and strategic planning within the health care system in the late 1980s and early 1990s under Minister Nancy Betkowski (Macbeth). For example, a civil servant interviewee employed with the department during the Getty era stated that there was an internal paper written on accountability that discussed the differences between accountability and responsibility. According to the civil servant, the report distinguished accountability from responsibility in the following manner: "the report defined that you are responsible for things and that you are accountable to someone."[265]

There was also a small contingent of interviewees who gave credit to the 1989 Alberta Health Rainbow Report that gave recommendations on how to reform the provincial health system. Under the guidance of then Minister Nancy Betkowski (Macbeth), recommendations were given on the importance of government reform, fiscal management, planning, role clarification, and accountability.[266] Although the Ministry of Health had not developed a department-wide plan in the Getty era, arguments were made about the need to improve planning and accountability during this time period that may have led to developing the context and the foundation for change in the future. A small number of civil servant interviewees also commented that other departments, such as Education and Agriculture, were also involved in strategic planning and measuring

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[264] Interview participant, Government Member. Edmonton, Alberta. July 1999.
[265] Interview participant, Senior Civil Servant. Edmonton, Alberta. June 1999.
[266] Interview participant, Senior Civil Servant, Government Member. Edmonton, Alberta. June 1999.

performance prior to the Klein business plan, and hence, are perceived to have also influenced Klein's business planning framework.

Finally, the vast majority of the interviewees from each of the categories commented on the influence the Financial Review Commission had on establishing a business planning process. Although the Financial Review Commission did not make a direct reference to the need to establish business plans, interviewees noted its overall importance and influence in developing a mandate for how the government ought to manage and operate. Jim Dinning, Provincial Treasurer at the time of the Commission's establishment in early 1993, announced the appointment of nine members from the business community to "begin immediately to review the government's financial position and reporting procedures."[267] In the final report, the Commission argued that the Government of Alberta "must adopt a plan to eliminate annual deficits completely."[268] Although the elimination of deficits was the primary focus of the report, the Commission also made the case that it was important to improve the planning and reporting process in government and that "the information needs to be more comprehensive and more timely."[269] Further comments were made that suggested that the financial statements must operate in conjunction with the government's goals and objectives and that part of the problem was that there was a lack of an overall plan. The Commission argued that, "by establishing long-term goals and relevant program objectives, and then developing the required budgets and financial reporting systems, performance can be measured against the plan."[270]

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[267] Alberta Financial Review Commission, *Report to Albertans* (31 March 1993), p. 1.

[268] Ibid., p. 3.

[269] Ibid.

[270] Ibid., p. 4

To clarify the minister-civil servant relationship, the Commission also commented on the roles and responsibilities of each position and made the following recommendation:

> Assure that there is clear delineation between ministers and their deputies, whereby ministers are responsible for making policy and deputy ministers assume more responsibility for reporting on the implementation of policy, including compliance with the goals and measures established for the government as a whole.[271]

The Commission argued that, "ministers are responsible for making policy and deputy ministers assume full responsibility for implementing policy"[272] thus making the point that deputy ministers are to have more responsibility in both the implementation and reporting aspects of policy.[273] In this sense, the traditional political/administrative dichotomy would be strengthened as policy roles were to be delineated according to position within the governing structure.

As will be further explored in the following chapter, approximately half of the interviewees from each of the categories argued that the changes to the planning process were a deliberate attempt for politicians to have better control, or some have stated regain control, over civil servants and the planning process in general. As shown, although the Financial Review Commission did not directly comment on the need for business plans, it argued for a more centralized and integrated plan that was to include information on goals, objectives, and performance measures and a reporting system that was to give detail on intended results, level of productivity, and the protection of assets.[274] As the vast majority of interviewees from each of the categories stated, the Financial Review

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[271] Ibid., p. 7.
[272] Ibid., p. 24
[273] Interview participant, Private Sector, Calgary, Alberta. July 1999.
[274] Alberta Financial Review Commission, p. 24.

Commission played a significant role in influencing the need for the Klein government to develop business plans.

When Klein came to power, in response to the ad hoc and isolated planning that took place in the Getty government, the Klein government established a planning process that was intended to be integrated, proactive, performance-oriented, and outcome-based.[275] To develop a more integrated planning process, departmental budgets and business plans were to be developed in consultation with the other line departments and Treasury (the oversight department) to ensure coordination and cohesion. The departmental plans were also mandated to ensure that they reflected the overall goals and strategies of the government-wide business plan. Another change made by the Klein government to improve coordination and cohesion between the different departments was the establishment of cross-government initiatives. The cross-government initiatives were developed to force departments to collaborate on areas of mutual interest and jurisdictions. Julian Nowicki, a former Deputy Minister of Executive Council with the Government of Alberta, commented that "we needed horizontal coordination cutting across the vertical lines of the ministry business plans to link them into a tighter, government-wide business plan."[276] To ensure that cross-government initiatives were taken seriously by the departments, they were included in the government business plans with information on the goals, objectives, strategies, and the responsible department for each initiative. As will be further discussed later on in the dissertation, to make the Klein government more performance-oriented, the business plans also included information on performance measures and targets for each of the department's strategies.

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[275] Interview participant, Executive Civil Servant. Edmonton, Alberta. August 1999.

Overall, the interview results demonstrated that there was no disagreement about the lack of coordinated and government-wide planning in the Lougheed and Getty governments and that this planning environment was significantly different from the Klein government's planning framework. There was some disagreement concerning where the seeds of business planning originated and the scope and breadth of this planning; however, most interviewees from each category agreed that the idea came from a variety of sources and that it was difficult to identify one sole person, entity, or department who was responsible for the idea of business planning in government.

3.1.4 Public Reporting and Accountability

One of the most visible changes Klein made to the planning process was to make the business plans available to the public. When interviewees were asked about how public reporting changed from Lougheed and Getty to Klein, all respondents noted that there were significant changes in terms of what information was made available to the public and how that information was relayed and presented. Many of the civil servants commented that in the Lougheed and Getty years, they relied heavily on the annual budget and the Speech from the Throne to provide direction on policy and programs.[277] According to all of the media and opposition member interviewees, this was also the only public source of information for the media, opposition parties, and citizens to learn about what the government planned to do in the upcoming year.[278] The Speech from the Throne communicated the government's intentions and mandate and the annual budget

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[276] Julian Nowicki, "Alberta's Cross-Ministry Initiatives" Interview by John Dingwall. *Canadian Government Executive*, Issue 6 (2002), p. 6.

[277] Interview participants, Executive/Senior Civil Servants. Edmonton, Alberta. June/July/August 1999.

[278] Interview participants, Media/Opposition Member. Edmonton, Alberta. July/September 1999.

gave details on the government's proposed revenues and expenditures for the upcoming fiscal year.

The public reporting function consisted of annual reports that were designed to inform citizens what the government had done with their tax dollars in the previous year. Approximately half of the interviewees from each of the categories commented that although annual reports are needed, they were not sure if they were an effective reporting mechanism since they thought that few citizens read through each of the departmental reports and further, the information was dated since the annual reports were often released to the public in the following year if not later.[279] Taking a harsher stance against the public reporting mechanisms prior to Klein, one of the private sector interviewees argued that the Lougheed and Getty "governments did an absolutely dismal job of giving a sense of direction to the public, and demonstrating accountability when all you had was a Speech from the Throne periodically."[280] The interviewee further noted that "the one-year budget typically provided minimal disclosure"[281] about government services and operations and that the information was presented in a way that made it difficult for the average citizen to understand how the government was spending money.

In response to this perceived dismal reporting relationship between government and citizens, one of the Klein government's goals was to improve transparency in government. Based on the interview results, there was little debate in government and the civil service about whether or not the business plans should be made available to the public. Since accountability and transparency were two of ~~the~~ main goals for the Klein government, all of the government member interviewees stated that by placing the business plans on the government's website, it would improve access to government information, make citizens aware of the government's intentions, and allow citizens to hold the government to account at election time if the government did not meet their goals or targets outlined in the business plans.[282] It should be noted that the Internet no doubt made it easier for governments to become more transparent, if not forcing them to become more transparent, since it became easier for governments to put information about their services and programs on the website and make available government documents that were previously only available in public libraries or via a citizen request.

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[279] Interview participants, Private Sector/Media/Government Member/Opposition Member/Senior and Executive Civil Servants, Edmonton, Alberta. June/July/August 1999.
[280] Interview participant, Private Sector. Edmonton, Alberta. August 1999.
[281] Interview participant, Private Sector. Edmonton, Alberta. August 1999.

In general, there was no disagreement amongst the interviewees in all of the categories that the public reporting environment in the Lougheed and Getty governments was minimal and was based on traditional reporting mechanisms such as the Speech from the Throne, the budget speech and documents, and annual reports. Significant change occurred when the Klein government came to power due to the government's commitment to improve transparency but also partly due to the influence of the Internet. The business plans were put on the Government of Alberta's website from the outset and remain available to the public although there is currently not any consistency amongst departments regarding what years are made available to the public.

3.1.5 Performance Measurement and Accountability Prior to the Klein Revolution

Interviewees were asked to comment if performance measurement was a common and formal practice prior to the Klein government. Overall, there was agreement amongst all of the interviewees that a formal government-wide performance measurement framework was not in place in either the Lougheed or Getty government.

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[282] Interview participant, Government Member. Edmonton, Alberta. August 1999.

Instead, similar to planning, some departments developed performance measures and targets whereas other departments did not. Even within a department that developed performance measures, several civil servants commented that there was not a department-wide approach to measuring performance; instead, measuring performance was often only done by a division, branch, or policy area. Indeed, an executive civil servant commented that "even though there was not a formal performance measurement system in place during Getty's tenure, there were pockets of people working on internal performance measures across government but the system was not as formally structured as it had become in 1993-94 and beyond."[283] Furthermore, one senior civil servant stated that, "performance measurement was taking place across government in a sporadic manner with no standards according to what should be measured or how they were used."[284] Another senior civil servant stated that government has always measured its performance in some manner but the focus was on inputs and processes.[285] As mentioned previously, in the Getty and Lougheed governments, assessments of performance were based primarily on inputs and outputs with little attention given to measurements on the outcomes or results of programs and services.

Finally, one of the most common ways departments in the Klein government currently measure their department's performance is through client satisfaction surveys. Numerous civil servant interviewees commented that little, if any, of this type of measurement took place prior to the Klein government. In one of the interviews, an executive civil servant commented that his department did not develop and administer a client satisfaction survey until 1995. Even the definition of client somewhat changed from Getty to Klein, as the interviewee commented that, "we always thought our most important client was the Premier" and while still important, the citizen was now being viewed to be a client as well.[286]

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[283] Interview participant, Executive Civil Servant. Edmonton, Alberta. August 1999.
[284] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.

Measuring performance became a government-wide formal process when the Klein government introduced the business planning process. Each department was required to develop performance measures, baselines, and performance targets for each of the major strategies outlined in their business plans. In the annual reports, the departments were required to report on whether or not they met the performance targets as published in their business plan. In the Government of Alberta's annual report, there is a section titled 'Measuring Up' which reports on the progress the government has made toward achieving the goals presented in the latest business plan. This document "reports on whether the government actually did what it said it was going to do, if it achieved the outcomes it said it would achieve, and whether the government is progressing toward achieving its goals."[287] In Klein's second term in office, departmental and cross-government performance measures also became linked to performance pay in the Government of Alberta. As will be discussed later, the development of a formal government-wide performance measurement framework was one of the most significant changes made in how the Government of Alberta manages and operates and was viewed to be a central part of the accountability framework.

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[285] Interview participant, Executive Civil Servant. Edmonton, Alberta. August 1999.
[286] Interview participant, Executive Civil Servant. Edmonton, Alberta. August 1999.
[287] Alberta Finance, "Measuring Up," Government of Alberta Annual Report 2005-06. Accessed 01 September 2006: http://www.finance.gov.ab.ca/publications/measuring/measup06/intro.html.

3.2 Why Business Planning?

To develop a better understanding on why the Klein government implemented a business planning process, interviewees were asked to identify why they thought this type of planning system was created. This section examines those responses and the analysis has found the reasons for business planning do not vary according to interviewee category or department and further, there were not many reasons given for the establishment of the plans. The four reasons given for establishing the business plans was the need to develop a plan to provide guidance in eliminating the deficit and debt, the need to become more like the private sector, the need to become more accountable, and the need to improve government-wide planning processes in government to improve the decision-making processes and overall performance.

3.2.1 Addressing the Deficit and Debt

Not surprisingly, given the focus on the debt in the 1993 provincial election, one of the most common reasons for the establishment of business plans was the need to have a government-wide plan to provide guidelines on how government should be restructured. Indeed, there was consensus amongst all of the interviewee categories that Alberta's rising deficit and debt was a catalyst for many of the structural and procedural changes that took place once Klein came to power, including business plans. In the late 1980s and early 1990s, one of the senior civil servants stated there was a lot of pressure from economists and the business community to address the increasing deficits and debt and recalls that one of the economist's commented that "Alberta was digging themselves into a hole with debt."[288] A government member further commented that, "what happened was the debt got so high and everybody was scared. Public opinion finally got to that point as well."[289]

Another government member stated that Ralph Klein, "being the politically sensitive person that he is, picked up the message that many people weren't happy with the growing deficits and the high level of debt and felt the need to develop a restructuring plan to deal with the issue."[290] The government member further stated that, "growing debt cost was not part of our history. It was not part of our psyche, and when we looked at how we got into that predicament, the whole current planning and budget process seemed to have some deficiencies."[291] Numerous politicians (both government and opposition) and civil servants also observed that there appeared to be a general feeling amongst the politicians in the new Klein government that the bureaucracy was too big, that it was not economical, and that cuts needed to be made.[292] Overall, the main message being sent to the new Klein government, whether by citizens, economists, members of the business community, or the Financial Review Commission,[293] was that the government had to find a way to eliminate deficits and refrain from using deficits to operate government in the future.

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[288] Interview participant, Senior Civil Servant. Edmonton, Alberta. August 1999.

[289] Interview participant, Government Member. Calgary, Alberta. July 1999.

[290] Interview participant, Government Member. Edmonton, Alberta. July 1999.

[291] Interview participant, Government Member. Edmonton, Alberta. July 1999.

[292] Interview participants, Executive/Civil Servant/Government Member. Edmonton, Alberta. July/August 1999.

[293] The Financial Review Commission was chaired by Marshall Williams, a Calgary business executive (Alberta Treasury Branch) and included nine senior executives (mostly accountants) from Calgary, Edmonton, and Lloydminster. Paul Boothe, "The New Approach to Budgeting in Alberta," *A Government Reinvented: A Study of Alberta's Deficit Elimination Program*, Christopher Bruce, Ronald Kneebone, and Kenneth McKenzie, eds. (Toronto: Oxford University Press, 1997), p. 219.

Almost all of the civil servants and government members stated that the business plan was viewed to be a way to demonstrate to the public that the government was not going to overspend and run deficits any longer.[294] For example, one of the private sector interviewees stated that the development of business plans "was directly connected to the government's agenda of saying let's get control of the public purse. Let's get a public purse that we can afford, and what are the tools that we are going to need to help manage it that way."[295] In the newly developed business plans, the government (Executive Council) and each department had to identify goals and develop priorities for what they wanted to accomplish and the Klein government felt the business planning process was a good way to do this.[296] Moreover, another government member commented that the business planning process allowed the government to publicly state that at this point in time, they did not have enough resources to deliver everything that people wanted to have done. Again, business planning was deemed to be the appropriate process to outline the priorities and the rationale for the decisions made.

The vast majority of the interview respondents from each of the categories also agreed that business plans were not adopted simply to guide the province back into a more fiscally sound governing environment. Indeed, some of the government members contended that even if there had not been a fiscal crisis, business plans would still have been put in place. One of the government members noted "that business plans were not going to disappear once the deficit and debt issues were addressed because on their own, they provided a better planning process than what was previously in place."[297] Interestingly, one of the senior civil servants stated that, "I don't think that anybody really saw the business plan as the way the government was going to justify making cuts. We all accepted that the cuts were coming anyway with or without business plans."[298] In this instance, business plans were not seen as an integral part of the effort to eliminate the deficits and debt; although initially the development of business plans may have been viewed to be the guiding instruments for the restructuring taking place. So while the need to control the deficit and debt may have been the impetus for the government's initial attention to the planning and reporting structures, the need to develop an integrated, comprehensive, and timely approach to planning and reporting seemed to have become a goal unto its own.

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[294] Interview participants, Executive/Civil Servant/Government Member. Edmonton, Alberta. July/August 1999.
[295] Interview participant, Private Sector. Edmonton, Alberta. September 1999.
[296] Interview participant, Government Member. Edmonton, Alberta. July 1999.

3.2.2 A More Business-Like Approach to Management – The Depoliticization of Planning?

Another popular response to why business plans were implemented was that the newly elected Klein government wanted a more business-like approach to the management and operations of government, which reflects the visible influence NPM had on how governments ought to manage and operate. As noted earlier, when Klein became premier, planning and decision-making within the civil service was not well coordinated nor was it strategic in the sense that it was forward-looking, outcome-oriented, or performance-based. As discussed previously, it is also important to note the influence neo-liberalism and new public management had on many jurisdictions in North America in the early 1990s. New public management supporters argued that the adoption of business techniques and processes would make government more efficient, effective, and economical and in this attempt for government to improve, one of the business procedures emulated by government was the business planning procedure. Most of the civil servant and politician (both government and opposition members) interviewees stated that a common phrase used by many government members in the early Klein years was 'the need to develop a more business-like approach to government.'[299] Both government members and civil servants stated that this mindset led to the development of business plans and was the primary reason why they were called 'business' plans rather than by another name such as 'strategic' or 'government.'[300]

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[297] Interview participant, Government Member. Edmonton, Alberta. July 1999.

Not only did new public management principles influence government members and civil servants to develop a business planning process, but as noted by several government members, the experience of recently elected politicians also influenced what direction the new Klein government should take. For example, half of the government members argued that the reason why business plans were put into place and why they were called 'business' plans in the first place was because it was a model that was familiar to many of those politicians who were elected in the 1993 election.[301] One of the politicians noted that:

> There was a huge bunch of us elected in 1993 that came from a business background and felt that government had to operate like a business. The principles make a lot of sense and it helps to organize. We also recognized that there was a tremendous need to get government finances in order and we were going to have to reduce spending and so if there was business plan in place, everyone would

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[298] Interview participant, Senior Civil Servant. Edmonton, Alberta. June 1999.

[299] Interview participants, Executive/Civil Servant/Government Member. Edmonton, Alberta. July/August 1999.

[300] Interview participants, Executive/Civil Servant/Government Member. Edmonton, Alberta. July/August 1999.

[301] Interview participant, Senior Civil Servant/Private Sector/ Government Members. Edmonton, Alberta. July/August/September 1999.

> know where they were going and it would reduce the amount of surprises along the way.[302]

Further, a private sector interviewee also commented at the time a new planning system was being discussed, many of the people advising the government were members of the business community.[303] This private sector influence, especially from management consultants, was perceived to have had an influence on the language and practices being adopted by government. The private sector interviewee further noted that the reason they called "it a business plan and not a strategic or government plan was because at the political level, they wanted people to think government was like a business."[304] An interviewee from the opposition also commented that the words 'business plan' have all kinds of political appeal and believed that this was one of the reasons for the implementation of such plans.[305]

An interesting theme that arose from the interviews was the Klein government's deliberate attempt to depoliticize the planning process through the implementation of business plans. An executive civil servant stated that when developing a business plan, a department is forced to identify at the outset the principles and values of the organization, the goals and objectives, the strategies and performance measures and the public reporting mechanism.[306] In going through these steps, the interviewee argued that business planning "puts in place a process that takes out the political influence because a politician that wants to do something in his or her riding, can't just sort of come and say 'well, let's do this' and get enough of a groundswell to do it"[307] if it is not in the business plan. In his department, he stated that in developing the business plan, the department ranked their current and proposed projects from lowest and highest priority and got rid of "the fact on whether it was in the north, south, a minister's riding or in the opposition's riding…suddenly all of the political stuff fell off the table and projects came through that made sense."[308] Interestingly, none of the politicians (government member or opposition) stated that one of the reasons for establishing the business planning process was to depoliticize the decision-making system, although several stated that they were developed to make better, more informed decisions.

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[302] Interview participant, Government Member, Edmonton, Alberta. September 1999.
[303] Interview participant, Private Sector, Edmonton, Alberta. September 1999.
[304] Interview participant, Private Sector, Edmonton, Alberta. September 1999.
[305] Interview participant, Opposition Member, Edmonton, Alberta. August 1999.
[306] Interview participant, Executive Civil Servant. Edmonton, Alberta. August 1999.
[307] Interview participant, Executive Civil Servant. Edmonton, Alberta. August 1999.

It is important to note that this more business-like approach caused some concern about the appropriateness of applying a business model to government. There was criticism, mostly from the opposition parties, the media, and surprisingly, the business community about the drive for a more business-like approach to government. In one of the more direct attacks on the business approach to government, a private sector interviewee argued that to simply apply a business planning approach to government is naive:

> You get some redneck off the farm who got elected, who happens to say, 'well I'm so smart and all these bureaucrats are a bunch a lazy dogs. All they have to do is adopt the principles that the private sector has and everything will be hunkie dory.' That's naivety and it is a major disservice to what the role of government is. It is the poor old bureaucrats who are trying to figure out some of this stuff.[309]

Another private sector interviewee substantiated this view and argued, "there was a philosophical disposition on the part of many elected people in the Klein government…that basically said we have to adopt private sector concepts into government. There is this foolish notion that the private sector can do no wrong."[310] In expressing his own concern about a more business-like government, a member of the opposition asked:

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[308] Interview participant, Executive Civil Servant. Edmonton, Alberta. August 1999.
[309] Interview participant, Private Sector. Edmonton, Alberta. September 1999.

> When people say, `we should run government like a business,' I always say 'which business?' If running it like a business means returning investment and profit to the owners, I say that we should close down every rural schoolhouse. Because they are not efficient, right? It's more efficient to bus all those kids into the city. They respond, 'well, that's not what I mean.' But that's what running a business would be like. So obviously there is a place for public policy to do public good.[311]

Numerous other interviewees also expressed concern about the different goals the private and public sector had and how this would translate to developing policy and delivering programs and services in government. For example, one of the government members stated "whereas in the private sector, the financial bottom line is most important, in government, there are other factors such as equity and justice that are the driving forces behind decisions."[312] A member of the opposition further noted that, "in government, not everything is based on profit. It seems that government feels that by adopting everything that the private sector does can be transposed to government, and I don't think that is the case and I think they are learning that."[313]

Another concern about the development of business plans was the focus on client satisfaction. A member of the opposition contended that the business planning process was partially driven by the goal to improve customer satisfaction and argued that the trouble with this approach is that it is being applied to a democratic government, not a business organization. According to this interviewee, given that services are produced in a not-for-profit context and that government is concerned with higher ideals than just for profit, "there may be instances where the 'customer' may not be pleased with the outcome. And then what happens? Does the customer demand their tax dollars back?"[314] A private sector interviewee noted the complexity of trying to measure citizen or customer satisfaction in a government setting and argued that it is a great deal easier to measure in the private sector where you can measure such areas as customer satisfaction, customer loyalty, and market share.[315] In this case, applying a customer-driven model to government caused concern from many interview respondents (mostly from the media, opposition member, and private sector categories) because it was deemed that delivering services to citizens was a great deal more complex and multifaceted than the private sector selling products and services in the marketplace.

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[310] Interview participant, Private Sector. Edmonton, Alberta. September 1999.
[311] Interview participant, Opposition Member. Edmonton, Alberta. July 1999.
[312] Interview participant, Government Member, Edmonton, Alberta. August 1999.
[313] Interview participant, Opposition Member. Edmonton, Alberta. July 1999.

Recognizing the positive influence NPM and business-like methods could have on government, from the outset of his term in government, Klein and his government attempted to run government similar to a business with business plans being one of the tools that supported such a philosophy. As recently demonstrated in this section, some interview respondents, stated that there should be limitations to adopting a business approach to the operations and management of government. When the government members were asked during the interviews if there was a difference between the private sector and government regarding delivering services and managing an organization, all of the government members except one recognized that the government could not simply apply a strict business model to government. Instead, it was deemed to be necessary and important to identify the similarities and differences between the two sectors and then develop a more 'business-like' model rather than a strict business model for government.[316]

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[314] Interview participant, Opposition Member. Edmonton, Alberta. July 1999.
[315] Interview participant, Private Sector. Edmonton, Alberta. August 1999.

3.2.3 *A Need to Improve Planning in Government*

According to the interview results, another reason business plans were developed was to improve planning and decision-making in government with the overall goal to improve performance. As previously noted, all of the interviewees agreed that planning prior to the Klein government was inconsistent across government and plans were not standardized or performance-oriented. For example, one of the government members argued that the new business planning framework was needed since the previous planning system had many flaws:

> There was no clear long-term government plan; no clear understanding of how ministry efforts tied in to the government direction; no public explanation of what ministries and departments were trying to accomplish (i.e. the plans were not released); no reporting of what was achieved in relation to the plan, and no measures to assess the performance achieved; [and] reporting of financial information was not performed on a timely basis (i.e. one year after year end).[317]

Not surprisingly then, the majority of interviewees (mostly government members and civil servants) argued that one of the main reasons why business plans were established was the need to develop a more streamlined, integrated, and performance-oriented planning process. For example, one of the senior civil servants noted that "the business plans force people to ask why are doing this, what are we trying to achieve, instead of the old bureaucratic way, of saying we always done this, we will always do it in the same old way."[318]

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[316] Interview participants. Government Members. Calgary/Edmonton, Alberta. July/August 1999.
[317] Interview participant, Government Member. Edmonton, Alberta. August 1999.
[318] Interview participant, Senior Civil Servant. Edmonton, Alberta. June 1999.

Under the new system, each department was required to go through a planning process that required them to assess the services and programs they delivered, determine what the priorities should be for the ministry, and based on these results, determine what the department should and should not be doing in the form of a business plan. One of the senior civil servants noted that business planning:

> …really forced every department to go through a more rigorous process. It started looking at each program in a very critical way. Certainly there were a lot of things that we questioned why the hell are we doing that and it surprised us when we did the program evaluation. Some people had been doing things for the last fifteen years and they never questioned what they were doing and sometimes even the senior management didn't know we were still doing that. Once you put some of those programs on paper, people said that there was no reason to be doing that. The business planning process forced people to be a lot more disciplined.[319]

The senior civil servant further commented that the business planning process forced departments to be critical of the services they offered in a rational manner.[320]

Another reason business plans were implemented, according to the interview results, was to improve long-term planning. For example, one of the senior civil servants noted that one of the primary reasons for the development of the business plans "was because in the 1980s when things were going the wrong way, a number of public servants were asking, why aren't we planning longer than one year?"[321] When the business planning process was developed, it required departments to develop a plan that went beyond the traditional one-year outlook. The business plan framework was developed to be a "three-year rollover plan that required departments to develop a plan that required long-range thinking, strategizing, forecasting, and planning."[322] Another senior civil servant noted that this was an improvement from the previous era where the annual budgets were the means for communicating to civil servants what their financial allocation would be and then the planning process would begin. This interviewee further commented that, "we didn't know what kind of increase or decrease we would be getting so we just worried about things"[323] and this made it difficult for departments to develop plans that went beyond the one-year fiscal year. In a study on business planning conducted by Kneebone and McKenzie, they found that with the administrators they interviewed, "the introduction of three-year business plans [were] met with universal approval [and that] they were described as an invaluable aid to planning and as a way of ensuring some stability to funding."[324]

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[319] Interview participant. Senior Civil Servant. Edmonton, Alberta. August 1999.
[320] Interview participant. Senior Civil Servant. Edmonton, Alberta. August 1999.
[321] Interview participant, Executive Civil Servant. Calgary, Alberta. July 1999.
[322] Interview participant, Senior Civil Servant. Edmonton, Alberta. August 1999.

Finally, and this will be discussed at greater length in chapter five, several civil servants commented that having performance measures within the business plan helped the Government of Alberta become more performance oriented. For example, a senior civil servant noted that the performance measures provided clarity on the success of programs and services and subsequently, provided direction on what future changes should be made to improve any areas of concern.[325] Related, the majority of the opposition members also commented that the business plans gave citizens more information on what services and programs the government was delivering and how successful they were in doing so.[326] In this sense, according to the majority of government members, performance measures within the business plans assisted the Klein government's goal to become more accountable.

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[323] Interview participant, Senior Civil Servant. Edmonton, Alberta. August 1999.
[324] Ronald Kneebone and Kenneth McKenzie, "The Process Behind the Institutional Reform," *A Government Reinvented: A Study of Alberta's Deficit Elimination Program*, p. 184.
[325] Interview participant. Senior Civil Servant Edmonton, Alberta. June 1999.

3.2.4 Improve Accountability and Control

The most popular reason given by all interviewee categories on why business plans were developed was the need to improve accountability and related, to improve the control over management and planning processes.[327] Specific to the accountability relationship between citizens and the state, most of the government members stated that one of the reasons for establishing the business planning process is that the plans would inform the public what government was planning to do. For example, one of the government members stated that in establishing business plans, "citizens will better understand the process and policies, instead of voicing frustration about not knowing what is going on."[328] Several of the senior civil servants also commented on the accountability relationship between the state and citizens. For example, several senior and executive civil servants argued that during the early 1990s, there was a need for the government to improve accountability because citizens thought they were being over governed and were not sure where their tax dollars were going.[329] In other words, similar to what other governments were experiencing at the time, citizens were losing trust in government and questioned government's role in delivering certain services and programs. As one senior civil servant argued, business plans were seen to improve accountability between the state and citizens as it was deemed to be a "tool for putting pen to paper and holding people accountable for delivering what they said they would deliver."[330]

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[326] Interview participants. Opposition Members. Edmonton, Alberta. June/August 1999.

[327] Interview participants. Senior and Executive Civil Servants/Opposition Members/Media. June/July/August 1999.

[328] Interview participant, Government Member. Edmonton, Alberta. July 1999.

[329] Interview participants. Senior/Executive Civil Servants. Edmonton, Alberta. July/August/September 1999.

[330] Interview participant, Executive Civil Servant. Edmonton, Alberta. August 1999.

Finally, and what will be discussed in further detail in the following chapter, approximately half of the interviewees from each of the categories argued business plans were developed to re-establish political control over civil servants. The majority of government and opposition members and civil servants stated that in the early 1990s, there was a general perception that civil servants had hijacked the policy agenda and further, they acted as gatekeepers in terms of the government's ability to make significant change within the public service.[331] Rich Vivone, at the time the author of a monthly newsletter on the inner workings of the Alberta government and formerly a civil servant, argues that from Klein's first days in office, "Klein demanded that politicians control the public service. The logic: politicians are directly accountable to voters, therefore politicians make the decisions."[332] Indeed, the business planning process gave politicians more information about what was taking place within their respective ministries and allowed them to have more direction and control over the planning process as a whole. Further, in having business plans go through the Standing Policy Committees for approval, it allowed for further political input from those government members not in ministerial positions. One of the members of the opposition argued that the business planning process was a very effective control mechanism as it gave the government, specifically the Executive Council and the Premier's Office, very tight reins over each ministry and prevented ministries from going astray. The opposition member further commented that this method of control "offends the principle of political give and take and the democratic process gets pushed aside in this type of model."[333]

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[331] Interview participant. Executive Civil Servant/Government Member/Opposition Member, Edmonton/Calgary, Alberta. June/July/August 1999.

[332] Rich Vivone, "The Klein Revolution: Part II," *Insight Into Government* (Fall 1999), p. 12.

[333] Interview participant, Opposition Member. Edmonton, Alberta. August 1999.

3.3 The Context for Business Planning in the Government of Alberta

The changes made by the Klein government were representative of the ideological shifts taking place in society and the management trends in public administration. As noted in the previous chapter, in the 1980s and 1990s, many governments around the world were influenced by neo-liberal principles and began to apply business-like principles and techniques to the operational and management structures with the goal to make them more efficient, effective, and economical. At the same time, many governments, including the Government of Alberta, were facing pressure to improve their fiscal management strategies and methodologies.[334] As Robert Mansell argues, in Alberta, the pressure "seemed to come to a head with the 1991/92 budget, which projected a small surplus but ended up with a deficit of almost $3 bullion."[335] The focus on the need to address the rising deficits and debt was reflected in the interview results and the majority of interviewees from each of the categories commented that the business plans were developed to assist the government to identify what cuts needed to be made and what the priorities should be.

Yet the vast majority of civil servants and government members also stated that business plans would have been adopted regardless of whether or not there was a fiscal situation to be dealt with. Conversely, business plans were not needed to make the cuts. Interviewees argued that there were several other reasons for the establishment of business plans including the need to improve the planning and decision-making processes and the need to improve accountability. Specific to the need to improve accountability, the media, private sector participants and the opposition members tended to focus on the accountability relationship between politicians and citizens whereas the politicians and civil servants tended to comment on how business plans influenced the accountability relationship between civil servants and politicians. Overall, the most popular response to the question on why business plans were implemented was to improve accountability with the idea that business plans would allow the government to improve the oversight and control of civil servants. On the other hand, accountability also tended to be related to transparency of government information. In this sense, accountability was interpreted to be the need to improve the answerability relationship between civil servants and government members and to a lesser degree, between citizens and the state. The development of a business planning process did not fundamentally alter either accountability relationship, but a performance management framework was put in place that measured and rewarded the performance of civil servants in meeting their business plan's goals and targets. Specific to the relationship between the state and citizens, there were no changes made to the answerability or liability components of the accountability relationship.

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[334] Robert Mansell, "Fiscal Restructuring in Alberta," p.39.
[335] Ibid., p.46.

Another reason why the Government of Alberta developed the business planning process was because most interviewees from each of the categories believed the Klein government thought business principles and practices trumped those found in the public sector. In this sense, the private sector's model of business planning was easy to adopt given the overall support for emulating business practices and any planning system was deemed to be one that could be studied since the previous government's planning environment was not formalized, standardized, coordinated, or performance-oriented. It is also important to note that at the time the Government of Alberta was looking to improve its planning structures and processes, very few governments had developed a planning system that was outcome-oriented, formalized, and performance-based.[336] Hence, the Government of Alberta did not have many governments to consult with or look to for advice on results-based planning whereas the private sector provided a template the government could access and revise accordingly.

Another interview theme that reflected the wider trends taking place was the need for politicians to re-establish control over civil servants. As discussed in chapter two, one of the major arguments put forward by public choice theorists was that politicians distrust civil servants because they believe civil servants act according to what is in their best interest rather than citizens' or politicians' interests. There was a general belief amongst politicians in Alberta, as well as in other jurisdictions, that civil servants had usurped the politicians' power in the area of policy development and agenda setting. One of the solutions recommended by public theorists to shift the power imbalance was to develop more effective oversight mechanisms to control the decisions and actions of civil servants. In other words, despite the influence of NPM, the government was attempting to strengthen the traditional political-administrative dichotomy by ensuring the business plans depicted the appropriate roles for government members (policy development) and civil servants (policy implementation). Interestingly, one of the reasons interviewees stated business plans were implemented was for politicians to monitor and control the actions of civil servants. It is this theme that is further explored in the following chapter.

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[336] Interview participant, Executive Civil Servant. Edmonton, Alberta. September 1999.

Chapter Four – The Contextual Influence of Business Plans on Accountability Relationships in the Government of Alberta

4.0 Introduction

As demonstrated in the previous chapter, there were numerous reasons given by the interview participants on why business plans were established in the Government of Alberta. The most popular response from all of the interviewee categories was that business plans were implemented to improve accountability. To develop a better understanding of the influence of business plans on accountability, questions were then asked of the participants to identify how the business plans improved accountability and what accountability relationships were influenced by the business plans. This chapter analyzes the interview comments by first of all examining if and how the accountability relationship between civil servants and politicians was influenced by the business planning process. Moreover, and most importantly, this chapter will also identify what definition of accountability was being used by interview participants when responding to the questions.

As noted earlier in the dissertation, the formal definition of accountability offered by the Auditor General's Office that is heavily quoted in many government documents states that "accountability is an obligation to answer for the execution of one's assigned responsibilities."[337] While this definition of accountability focuses on answerability, other interpretations of accountability arise from the interviews and government documents. For example, specific to the accountability relationship between civil servants and politicians, the Department of Finance argues that, "effective accountability means that those managing public resources depend on sound information, not speculation, in determining the effectiveness of government programs."[338] In this sense, accountability is defined according to the amount and quality of information available to make sound decisions and effectively operate services and programs in government. Hence, this section of the dissertation examines how accountability is contextualized according to interview category, department and whether or not the definition changes according to what actors are involved in the accountability relationship.

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[337] Auditor General Alberta, *Government Accountability* (February 1997), p. 1.

It is important to note before the discussion begins that although there are many other accountability relationships within the Government of Alberta (e.g. between the government and its contractors or between other levels of governments), very few interviewees mentioned these other types of accountability relationships. Hence, this chapter focuses on the two most popular accountability relationships cited by the interviewees and the influence of the business planning process on the other accountability relationships requires further research.

4.1 The Contextual Influence of Business Planning on the Relationship Between Civil Servants and Politicians

One of the most prominent themes that arose from the interview findings was the influence of business plans on accountability relationships and specifically, the relationship between civil servants and politicians. In chapter two, a brief chronology was conducted to give an overview of how the concept of ministerial responsibility and accountability has evolved in Canada. While the traditional concept of ministerial responsibility and accountability are similar in the federal and provincial governments, if not identical in some cases given the reliance on the Westminster political system to guide and direct behaviors and actions, the mechanisms or processes to support ministerial responsibility and accountability are somewhat different across the country. For example, whereas British Columbia,[339] Alberta, Ontario,[340] and Saskatchewan[341] have government-wide plans in place that are made available to the public, Manitoba does not have a government-wide plan or performance measurement framework in place, let alone any type of plan that is available to the public.[342] Further, whereas some jurisdictions have established legislation to ensure and promote accountability, other jurisdictions have relied on a more fragmented approach to ensuring accountability.[343] This chapter moves away then from this general perspective of accountability and ministerial responsibility and discusses how business planning has influenced the accountability relationship between politicians and civil servants in Alberta according to the interview participants.

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[338] Department of Finance, Government of Alberta, "Results-Oriented Government: A Guide to Strategic

4.1.1 *The Early Years of the Klein Government - The Political and Administrative Relationship in Context*

Before assessing the influence of the business planning process on the relationship between civil servants and politicians, it is important to briefly review the general political environment and the management trends in the early 1990s that affected

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Planning and Performance Measurement in the Public Sector," p. 3.

[339] Government of British Columbia, "Government Strategic Plans" and "Ministry Service Plans." Accessed on 02 September 2006: http://www.bcbudget.gov.bc.ca/2006/

[340] Unlike some other government jurisdictions, business plans are not located in a central agency on the Government of Ontario's website. Hence, see, for example, the Ministry of Finance's business plan: http://www.fin.gov.on.ca/english/publications/rbplanning/bp2001.html (accessed on 02 September 2006). Nevertheless, there is a document available titled, "Published Results-Based Planning" that gives information on each government department's plan. Accessed 02 September 2006: http://www.fin.gov.on.ca/english/publications/rbplanning/index.html

[341] Government of Saskatchewan, "Performance Plans," Part of the 2006-07 Budget documents. Accessed 02 September 2006: http://www.gov.sk.ca/finance/budget/budget06/2006papers.htm.

[342] Office of the Auditor General, "Managing and Reporting Results," (2004-05). Accessed: 02 September 2006: http://www.oag.mb.ca/reports/reports_fr.htm. The report notes: "there is no requirement for departments to prepare strategic/business plans that are reviewed and approved by Government or one of its committees. The Government's position on this is that a "flexible approach to planning" is preferred and that departments are expected to submit a Priorities and Strategies Overview with their estimates information."

the relationship. As noted earlier on in the dissertation, the Government of Alberta adopted many of new public management's principles to provide a renewed way to govern and manage the public service. Through various means, the Klein government placed its trust in private sector values and principles, the processes and structures that dominate the private sector, and the people who lead and manage private companies. Early in Klein's mandate, he responded to accusations of making government more like a business by stating, "Well, you sure as hell can't run government like a government any more."[344] In this sense, the Government of Alberta's traditional way of managing and governing was being challenged as the old 'bureaucratic' way was seen to be inefficient and ineffective. Indeed, Klein believed the adoption of private sector principles and techniques would be able to transform the current civil service to make it more productive, efficient, effective, and economical. At the same time though, there were also concerns that the government was not transparent and accountable to Albertans and interestingly, these concerns were not typically associated with the private sector model of management and operations. Yet how these different goals intertwine is that the Klein government hoped that the business-like processes would improve transparency and accountability. In this sense, the Klein government recognized the benefits of applying a private sector model to government but also recognized the limitations and nuances of working in a public sector environment.

One of the primary goals of new public management was to determine how the relationship between the civil service and the politicians could be changed to meet the goals of improved accountability, transparency, efficiency, and effectiveness. There were

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[343] Office of the Auditor General, "Managing and Reporting Results," (2004-05). Accessed: 02 September 2006: http://www.oag.mb.ca/reports/reports_fr.htm.

numerous reasons why civil servants were an area of focus for new public management. As discussed earlier on, there was the perception that those who work in the civil service were not as productive as those employees who worked in the private sector. Further, there was the belief that civil servants were the cause of the rising deficits and debt load because of their self-interested behavior and their budget-maximizing behavior, and that they possessed too much power at the expense of the politicians.[345] In the course of the interviews, the majority of the civil servants and opposition members stated that when Klein's government was elected in 1993, there were quite a few negative comments about civil servants made by politicians that represented these concerns. These interviewees further noted there was the political perception that civil servants had garnered too much power with the growth of the welfare state, and that it was deemed necessary for the politicians to make civil servants accountable again.[346]

Not surprisingly then, the majority of the civil servant and opposition member interviewees commented that the cuts to the civil service were viewed to be a direct attack on the influence and role of the public service.[347] In the Klein government's first budget in 1993, the mandate to address the deficit and debt were clear. For example, the *Deficit Elimination Act*[348] was put forward with the requirement of a balanced budget by the fiscal year 1996-97 and the *Act* also established clear annual deficit ceilings. In the following year, the 1994 Budget announced that there would be an overall 20% reduction

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[344] Diane Francis, "Klein Has Important Lessons," *Financial Post*, 1 December 1994.

[345] Charles Goodsell, *The Case for Bureaucracy: A Public Administration Polemic*, pp. 3-23.

[346] Interview participants. Senior Civil Servants/Opposition Members, Edmonton, Alberta. July/August/September 1999.

[347] Interview participants. Senior Civil Servants/Opposition Members, Edmonton, Alberta. July/August/September 1999.

[348] The Deficit Elimination Act was replaced by the Balanced Budget and Debt Retirement Act shortly after the 1994 budget was introduced. It applied the same principles of deficit elimination to debt reduction and

in the expenditures for the civil service. As noted by Kneebone and McKenzie, the 20% reduction was chosen "because it was the cut in expenditures required to eliminate the deficit without increasing tax rates."[349] In research on the size of the actual reductions that took place, McMillan and Warrack found there was a 27.4 percent real per capita expenditure decline between 1992-93 and 1996-97 after population growth and price changes were taken into account.[350]

In reducing the size of the civil service, the Klein government gave the message to the civil servants that there are no 'sacred cows' in government and that to maintain relevance, it was important to demonstrate that a business case could be established for each civil servant's position.[351] Started in the restructuring plans, and more formally established in the business planning process, each department was required to develop a mission statement and outline its goals. As one of the key architects of the restructuring plan noted, "each position and program was then evaluated against the mission statement and goals to determine if the department should maintain such programs and positions."[352] Interestingly, there was some disagreement amongst the civil servant interviewees about this process. On the one hand, some civil servants felt this process was a direct attack on the role of civil servants. Yet on the other hand, some civil servants felt that implementing a government-wide evaluation was a long overdue task

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projected paying off the "debt mortgage" by FY 2021, a 25-year "amortization." See Budget '95: Building a Strong Foundation, (21 February 1995), pp. 16-23.

[349] Ronald Kneebone and Kenneth McKenzie, "The Process Behind Institutional Reform in Alberta," p. 177.

[350] Melvin McMillan and Allan Warrack, "Alberta's Fiscal Update: One-Track (Thinking) Towards Deficit Reduction," Information Bulletin 28 (February 1995), Western Centre for Economic Research, Faculty of Business, University of Alberta, pp. 12-13.

[351] Interview participant, Government Member. Edmonton, Alberta. August 1999.

[352] Paul Boothe, "Government Spending in Alberta," p. 9.

and that it was necessary to develop new priorities and identify what programs and services were no longer needed.[353]

During the first years of the Klein government, while there were staff reductions in each department,[354] there were certain areas of a department that were more vulnerable to the cuts than others. According to some of the civil servant interviewees, the planning, research, and policy branches in each of the departments were particularly hit hard by the cuts because in a political environment where immediate relevance and outcomes were valued, "this area of the civil service was difficult to measure and assess, and hence, it became an easy target when looking for an area of a department to cut."[355] The focus on results and performance was also linked to the government's desire to become more accountable. Since it was difficult to measure a policy, research, or planning division's work, it was generally viewed by the government that it would then be difficult to hold these civil servants to account.[356]

Although the focus on performance measurement and results-based government was given as a reason for these areas in government to be eliminated or cut in size, a more popular response amongst civil servants and opposition members was that by reducing the size of these areas, the power pendulum shifted in favor of the politicians. For example, one of the opposition members stated,

> …in order for the Klein government to engage in a more systematic way of restructuring and retooling, they had to first of all withdraw power from the civil service. It was their assessment that the public service at the operational planning level had become too powerful in the Getty and Lougheed years. These people who were technically trained and academically trained had much greater creditability

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[353] Interview participants, Senior/Executive Civil Servants, Edmonton, Alberta. July/August 1999.
[354] Paul Boothe, , "Government Spending in Alberta," p. 10.
[355] Interview participant, Senior/Executive Civil Servants. Edmonton, Alberta. June/July/August 1999.
[356] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.

> pertaining to the advice they gave to the political masters up until 1993.[357]

So to reduce the perceived power the civil service had garnered through the policy and planning function, one of the primary targets for reduction or elimination became the research, planning, and policy branches. Approximately half of the civil servants and opposition members also commented on the irony of establishing an extensive, government-wide business planning system at the same time, reducing the size or entirely eliminating the branches in the civil service that had the experience and knowledge to assist in the implementation of the business planning model.[358]

Approximately half of the civil servants and opposition members also commented when the government eliminated or downsized the policy, planning, and research branches at the departmental level, the tasks did not necessarily disappear; instead, such activities became centralized. Indeed, one of the opposition members stated that what was "very interesting about this reduction is that a lot of the policy development was in essence, moved back to the Premier's Office and Treasury."[359] In centralizing the planning and policy processes, there was perceived to be no longer the need for Ministry branches in these procedural areas and the control of planning and policy became once again the domain of the politicians as the traditional political-administrative dichotomy dictated. Over half of the government members also substantiated this finding and noted that the dismantling of the policy, research, and planning units was a deliberate attempt to rectify the perceived power imbalance between civil servants and politicians.[360] The move to a more centralized and politically controlled management and policy system also substantiates Brownsey's recent thesis. In a chapter discussing the executive style of the Klein government, Brownsey argues that Klein revamped the structures and processes in government to reinforce "the position of the premier in the province's governance structure."[361]

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[357] Interview participant, Opposition Member. Edmonton, Alberta. August 1999.

[358] Interview participants, Executive/Senior Civil Servants, Opposition Members. Edmonton, Alberta. July/August/September 1999.

[359] Interview participant, Opposition Member. Edmonton, Alberta. August 1999.

It should be noted that there was some disagreement amongst the interviewees about the supposed acrimonious relationship between civil servants and politicians when Klein first came to power. Most of the civil servants stated that there were some negative comments made about civil servants; however, they tended to be made by certain government members and did not reflect how the majority of government members felt about the civil service.[362] Interestingly, an interviewee from the private sector stated that the negative comments about the civil service were a reaction to a time that the government was getting into significant financial difficulties and that in times of troubles, "the politicians are not inclined to blame themselves."[363] With this perspective, given the political environment, civil servants then became a target and scapegoat for any ailments the government was experiencing since they did not have to face losing their jobs in the next election. Civil servants, under the traditional role of being anonymous and loyal to their government, did not have the opportunity or freedom to publicly defend themselves against these attacks. In seeking quotes from political speeches and newspaper articles and looking through Hansard to confirm the negative comments made about civil servants, it was difficult to find any evidence of such remarks. Nevertheless, there was

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[360] Interview participants, Government Members. Edmonton/Calgary, Alberta. July/August 1999.
[361] Keith Brownsey, "The Post-Institutionalized Cabinet: The Administrative Style of Alberta," *The Executive Styles of Canada: Cabinet Structures and Leadership Practices in Canadian Government,* IPAC Series in Public Management and Governance. Luc Bernier, Keith Brownsey and Michael Howlett, eds. (Toronto: University of Toronto Press, 2005) p. 208-209.
[362] Interview participants, Senior/Executive Civil Servants. Edmonton, Alberta. June/July/August 1999.
[363] Interview participant, Private Sector. Edmonton, Alberta. August 1999.

still a significant perception that there was a schism between civil servants and government members but this perception came mostly from civil servants.

Not all of the interviewees agreed there ever was a strong sense of hostility between politicians and civil servants and according to one executive civil servant interviewee, from the outset, politicians had a great deal of respect for the civil servants.[364] For example, one of the executive civil servants stated that, "Ralph Klein, Jim Dinning and a number of other key ministers had a great deal of respect for and confidence in the public service. They felt that public servants were the people that knew how to save money and do things cheaply if you created a vehicle that let them do it."[365] A few of the government members also stated that the cuts to the civil service may have looked like they were a direct attack on the credibility and integrity of the civil servants but in reality, the restructuring of the public service was needed to address the deficit and debt.[366]

Most of the respondents who commented on the relationship between politicians and civil servants also stated that increasingly, the negative remarks have since been replaced with positive ones. The majority of interviewees from each of the categories commented that in the latter half of the 1990s, the government started to give positive messages about the performance of the civil servants to the public and to the press. Supporting this shift in attitude, one of the government members stated that although the downsizing that took place in the civil service may have given people the impression that there was disrespect for public servants, "you certainly you wouldn't find that now because now there is a high level of respect for the public service."[367] One of the civil servants stated that the reason for a more positive outlook towards civil servants was because as the years went by, politicians came to have a better understanding of what civil servants did and the bashing that was so prominent at the outset of Klein's first term in office, diminished as the years went by.[368] In this sense, there was more respect from the politicians for the responsibilities required of civil servants and civil servants were no longer scapegoats, but were instead respected for their roles and responsibilities in the civil service.

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[364] Interview participant, Executive Civil Servant. Edmonton, Alberta. August 1999.
[365] Interview participant, Executive Civil Servant. Edmonton, Alberta. August 1999.
[366] Interview participants, Government Members. Edmonton, Alberta. July/August 1999.

As demonstrated, there are differing views on what type of relationship existed between civil servants and politicians especially at the beginning of Klein's first term in government. While the majority of interviewees commented on the overall tension between civil servants and politicians, several opposition members stated that there were politicians who always had a level of respect for civil servants and that the negative comments seemed to come from a certain group within the Klein caucus.[369] In this sense, the findings seem somewhat contextual based on what interview category was responding although there was a mixed response from civil servants. Government members, for the most part, denied criticizing civil servants although they did state that part of the reason for establishing the business planning process was to reestablish the political control over the planning process. The reaction from civil servants was mixed with the majority of civil servants stating that the government members did say negative things about civil servants. Others commented that nothing negative was said or if something was stated, that the comments came from a small group of caucus members and did not represent how the majority of government members felt about the civil service. Not surprisingly, the majority of media interviewees, business members, and opposition politicians commented that the Klein government did make numerous negative comments. Although there was little written evidence to substantiate the negative comments, there was certainly the perception, based on the interview results, that the Klein government did not entirely trust civil servants to carry out their mandate and hence, additional controls were needed to ensure they did.

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[367] Interview participant, Government Member. Edmonton, Alberta. July 1999.
[368] Interview participant, Senior Civil Servant. Edmonton, Alberta. August 1999.

4.1.2 Business Plans as a Control Mechanism: Reclaiming the Policy Agenda

Indeed, one of the primary themes that arose from the interview results was that there was a need for the politicians to regain control of the public service, and specifically, decisions concerning policy. One of the civil servants noted that, "clearly the government wanted to make sure that the people who were elected with a mandate had a mechanism by which they could do it"[370] and business plans were deemed to be the process that allowed politicians to effectively pursue their mandate. A political staff person further commented that, "policy making has been centralized with politicians developing policy through the business planning mechanism and where the implementation of policy is clearly the job of public service."[371] Most of the politicians (both government member and opposition) interviewed stated that one of the main reasons for the establishment of business plans was to clarify the policy roles of the civil servants and politicians. According to the interview results, it seemed that the government politicians were keen on strengthening the political-administrative dichotomy even though it has been argued by many that the formal split between policy

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[369] Interview participants, Opposition Members. Edmonton, Alberta. July/August/September 1999.
[370] Interview participant, Senior Civil Servant. Edmonton, Alberta. June 1999.

development and implementation was unrealistic and not reflective of what actually took place in government.[372]

Related to the clarification of who developed and implemented public policy was the clarification of roles concerning management and oversight. For example, one of the government members who was also a minister stated that the business plans enabled him to have better management control of his department and consequently, he was then able to also maintain better discipline and oversight within the department.[373] Other government members also claimed that the business planning process allowed for greater transparency within departments and this generally allowed departments to function better because the Minister, the civil servants, and citizens all knew what the department was doing and what was expected. In fact, the vast majority of government members and civil servants stated that the establishment of business plans assisted in building trust between politicians and civil servants because of the clarification of roles and responsibilities.

There was also the perception that the business planning process strengthened the accountability relationship between government members and civil servants because of the reporting function. In this instance then, accountability came to be associated with a reporting relationship. For example, with the establishment of business plans, one of the senior civil servants argued that the business plans have made all of the civil servants more conscious that they are accountable to the politicians "and that we have an

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[371] Interview participant, Senior Civil Servant (political staff). Edmonton, Alberta. July 1999.
[372] For example, see: Laurent Dobuzinskis, "Historical and epistemological trends in public administration," *Journal of Management History*, Vol. 3:4 (December 1997), pp. 298-316; Joel D. Aberbach and Bert A. Rockman, "The Past and Future of Political-Administrative Relations: Research from Bureaucrats and Politicians to In the Web of Politics—and Beyond," *International Journal of Public Administration*, Vol. 29:12 (2006), pp. 977-995.
[373] Interview participant, Government Member. Edmonton, Alberta. July 1999.

obligation to explain to them why we are doing things the way we are doing them."[374] Another civil servant noted that when the Klein government came to power, there was now a "process for almost everything and back in the 1980s, making decisions was a lot more loosey goosey."[375] In this sense, the reporting and accountability system that came into place with business plans forced civil servants to become more accountable for the decisions and recommendations they put forward to their political masters. Interestingly, one of the civil servants commented that the relationship between the civil servants and politicians has not necessarily changed but it has given "the political level a better basis for changing their decisions and it has increased the odds that the bureaucracy will deliver because they know where they are going."[376] Overall, in this case, accountability has been defined as answerability in that it was important for the government to establish a reporting function that ensured civil servants have an effective means to report and be answerable to their minister.

Another way the business planning process has influenced accountability, according to most of the interview respondents, is that the Minister of the department has to sign the accountability statement at the beginning of the department's business plan. For example, the accountability statement that has to be signed by the minister of each department is the following:

> This Business Plan for the three years commencing April 1, 2004 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at February 27, 2004 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan. The Ministry's priorities outlined in the Business Plan were developed in

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[374] Interview participant, Senior Civil Servant. Edmonton, Alberta. June 1999.
[375] Interview participant, Senior Civil Servant. Edmonton, Alberta. August 1999.
[376] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.

> the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan. (Original signed by the minister, date of signing).[377]

This statement was designed to indicate that the responsible Minister has read and agreed to all of the information presented in the department's business plan. As one former minister commented, "the fact that you have your name on the business plan means that you need to know what you are signing."[378] In this sense, the Minister's accountability statement reflects and supports the accountability relationship between the civil service and the Minister in what goals and performance targets are to be achieved in the next three years. It publicly outlines the expectations that the Minister has of the civil service in meeting the government's objectives for that specific department. A government member also commented that having an elected person sign the business plan, as opposed to a Deputy Minister or another senior civil servant, represented the democratic element to the business planning process.[379] The accountability statement also exemplified the government's support of the traditional political-administrative dichotomy in a very visible and clear manner.

Building on the answerability component of accountability, the vast majority of the executive and senior level civil servants also commented that the relationship between civil servants and ministers became more accountable because of the way business plans influenced how civil servants were evaluated. For example, one of the civil servants noted that the business planning process improved the accountability relationship between civil servants and politicians because civil servants were being evaluated in a more fair and impartial manner than in previous times. The civil servant further commented that with the establishment of business plans, deputy ministers were now accountable for and measured against what was in the business plan instead "of being assessed on whether or not they got along with their minister."[380] This type of accountability was then translated down into the rest of the department because a "deputy minister will say to the assistant deputy minister that if I am going to be measured on this if we put it in the business plan, you are going to be measured as well."[381] In this sense, accountability is defined as a reporting relationship between two parties, similar to the definition of accountability where it focuses on answerability provided by the Alberta Auditor General.

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[377] Government of Alberta. Aboriginal Affairs and Northern Development Business Plan 2004-07 March 24, 2004.

[378] Interview participant, Government Member. Edmonton, Alberta. July 1999.

Another example that most of the government members mentioned when commenting on the influence of the business planning process on the relationship between politicians and civil servants was the information business plans provided when there was a cabinet shuffle.[382] Prior to the establishment of business plans, when there was a change in government or if there was a cabinet shuffle, the new ministers relied on the deputy minister for information about the newly appointed department. Rarely, if at all, were there any department- or government-wide plans available to the Minister to assist him or her in the new position. Usually, the only available documents consisted of outdated annual reports that reported on a department's past performance and did not offer any insight on the future plans of a department. Hence, according to most of the government interviewees, business plans were viewed to be a valuable resource for politicians. Instead of relying solely on the advice or guidance of the Deputy Minister and

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[379] Interview participant, Government Member. Edmonton, Alberta. July 1999.

[380] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.

[381] Interview participant, Senior Civil Servant, Edmonton, Alberta, July 1999.

[382] Interview participants, Government Members. Edmonton, Alberta, July/August 1999.

other senior level management in a department, newly appointed Ministers now had the business plan to provide information about the department's goals, strategies, and performance measures. As such, the business plan was viewed to be a document that provided the political leadership with more information than what was previously available and hence, government members believed they were able to control the policy agenda in a more effective and enlightened manner than in previous times when there were no plans.

This control of the policy agenda and the planning process also extended to the general relationship between the legislature and departments. In this scenario, five government and opposition members commented that business planning was a way of providing the elected members (both government and opposition) some sense of being able to control and direct not only the deputies (via the minister), but the ministers as well. In other words, instead of just having the ministers and caucus members who sat on the Standing Policy Committees be involved in the business planning process, it also allowed other government backbenchers and opposition members to contribute to the process as well. Hence, in the ideal situation, when business plans are presented to the legislature, the members would be expected to provide guidance to the policy direction of the business plans and they would be expected to debate the merit of each plan and in doing so, garner more control over the planning process in government.[383] Greater control was deemed to occur because although the structures and processes in the legislature remained the same, the legislature as a whole became more aware of each department's mandate, service offerings, and performance targets. One of the media interviewees commented that one of the reasons for a three-year business plan "is simply that the political people in the legislature wanted to have more of an idea of what was going on in the civil service. They wanted to have a certain amount of statistics from year to year."[384] Accountability in this sense, as seen by the government members, is analogous to information sharing and transparency. By making the government's plan available to the legislature, it was partially fulfilling its promise to become more transparent and accountable by allowing the legislature to debate and pass each business plan.

As briefly noted, even though more information was available to the legislature, this did not mean the relationships between ministers and civil servants or between ministers and the legislature were fundamentally altered. Despite the establishment of business plans, the traditional relationship between civil servants and ministers and the ministers and the legislative members remained intact. For example, civil servants remained directly answerable to their minister and not to the legislature, although executive senior management civil servants were required to answer questions at Standing Policy Committees with their Minister present. In describing these changing roles, one of the senior civil servants observed that with the establishment of the business plans, "more bureaucrats are being invited into the decision-making process by getting involved with the Standing Policy Committees. By the same token, more politicians are invited to take part in the planning processes of the departments."[385] Another civil servant noted that although reporting to a Standing Policy Committee on a Ministry's business plan was new, the "relationship structure has not really changed other than we [civil servants] have another two or three groups that we have to go through in the

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[383] Interview participant, Government Member, Edmonton, Alberta. July 1999.
[384] Interview participant, Media. Edmonton, Alberta. August 1999.

preparation of the business plan."[386] While the roles of each actor expanded, the underlying power relationship between politicians and civil servants was not usurped by the business planning process. All of the interviewees noted that politicians remained the ultimate decision-makers in government and civil servants continued their role as providers of policy and planning advice.

Moreover, the accountability relationship between the legislature and ministers did not fundamentally change because of the business planning process. Representative of the traditional public administration regime, the only way government backbenchers (except those who sat on SPCs) and opposition members were able to participate in the business planning process was by asking questions of the Ministers during question period, which during the interview process, the majority of opposition members expressed their frustration with this limited form of participation.[387] For example, one of the opposition members stated, "the Ministers did not always answer the questions or if they did, they often skirted the issue at hand"[388] when they were asked questions about their business plans. Again, specific to the relationship between the legislature and ministers, accountability was interpreted to equate to upholding the values and principles underlying ministerial responsibility and answerability.

4.1.3 A Different Type of Accountability – Standing Policy Committees and Civil Servants

Another way that business plans have influenced the accountability relationship between civil servants and politicians and the overall interpretation of accountability is

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[385] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.

[386] Interview participant. Senior Civil Servant. Edmonton, Alberta. August 1999.

[387] Interview participants, Opposition Members. Edmonton, Alberta. July/August 1999. Members of the opposition were not allowed to sit on the SPCs.

[388] Interview participant, Opposition Member. Edmonton, Alberta. September 1999.

through the higher degree of political control via the Standing Policy Committees (SPC). For example, according to an executive civil servant, "political control has been enhanced since no business plan can move forward without having the approval of the relevant Standing Policy Committee and both Cabinet and Caucus."[389] Established in 1992 when Klein was elected leader of the party, the six permanent committees are made up of Cabinet and Caucus members with the mandate to review and make recommendations on the government's policies, programs, and legislation.[390] Specific to the business planning process, before a department's business plan is submitted to the legislature, the business plan is presented to the Standing Policy Committee relevant to the department.[391] According to the Personnel Administration Office in the Government of Alberta, the SPCs are the forum where Cabinet ministers and caucus members have the opportunity to ensure that the overall government message is being relayed in each of the ministry's business plans. As Paul Boothe notes, the SPCs try to answer three questions:

> 1) Is the department doing the right things (i.e. do the department's core businesses fit with the government direction and priorities)? 2) Is the department's business plan implementation successful and can success be measured (i.e. with a focus on outcomes, are the right measures being used to gauge success)? 3) Are the methods used to implement the plan appropriate and technically feasible?[392]

Ministers and caucus members also provide comments and suggestions for consideration by Ministers in preparing their upcoming annual budget and three-year business plan.[393]

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[389] Interview participant. Executive Civil Servant. Edmonton, Alberta. August 1999.

[390] Keith Brownsey, "The Post-Institutionalized Cabinet: The Administrative Style of Alberta," p. 219.

[391] There are six standing policy committees – agriculture and municipal affairs, economic development and finance, energy and sustainable development, health and community living, justice and government services, and learning and employment. Government of Alberta, Personnel Administration Office, "How Government Works." http://www.pao.gov.ab.ca/infocentre/government/govt-works/how-govt-works.htm. Accessed 02 March 2006.

[392] Paul Boothe, "The New Approach to Budgeting in Alberta," p. 227.

[393] Government of Alberta, Personnel Administration Office, "How Government Works." http://www.pao.gov.ab.ca/infocentre/government/govt-works/how-govt-works.htm. Accessed 02 March 2006.

One of the executive civil servants argued that the SPC process enhances the communication between civil servants and government members about the business planning process and specifically, what work takes place in each of the departments.[394] Each Minister, along with some of the senior civil servants in his or her department, is required to present a draft business plan to the relevant SPC for feedback and direction. This presentation, according to one of the civil servants, provides a forum where the committee members "can develop a better understanding of where the civil servants are coming from and civil servants can develop a sounder comprehension of the current and future political pressures the government faces."[395] The civil servant further noted that "by having to respond and give feedback to their questions about the business plan, they have a far greater appreciation of what we go through and I think there is a far greater appreciation that we are not all sleeping in our offices."[396] Although there may be more appreciation, according to the majority of government member and civil servant interviewees, the SPCs were designed to act as a form of 'checks and balances' and to provide oversight of the civil service.[397] For example, as one of the political staff noted, if a policy initiative comes up through a department that is not in the business plan, it does not go to a Standing Policy Committee; instead it goes to the Agenda and Priorities Committee (APC).[398] The APC, made up of government members, were the individuals that were to develop substantive policy proposals and provide overall policy direction, not civil servants via business plans.

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[394] Interview participant, Executive Civil Servant. Edmonton, Alberta. September 1999.

[395] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.

[396] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.

[397] Interview participants, Government Members/Senior and Executive Civil Servants. Edmonton, Alberta. July/August/September 1999.

[398] Interview participant, Senior Civil Servant (political staff). Edmonton, Alberta. August 1999.

The APC is the body in the Government of Alberta that, "provides direction in the development of the strategic agenda for the government and assists in policy development by reviewing significant changes in policy in the form of a Minister's Report, Ministerial Order, Regulation Change or Order-in-Council."[399] The APC's mandate is to determine how a proposed policy initiative should be addressed and report their findings to the civil service to provide direction for future actions. Controlling the development of policy in this manner provides a 'check' on departmental initiatives so that, for example, a department cannot have "an initiative kind of wandering off through the weeds and coming back all of a sudden to surprise everyone."[400] Hence, if the APC reviews the policy initiative and approves it, it then proceeds through the normal policy development process. A government member commented how this process was designed to garner consensus about the direction and policies of government. For example, the politician stated that the Premier, through this process, was "saying that if you can't get consensus, you should honor the process and drive it back to where you can get more feedback and support."[401] The constant need to ensure that the APC and the SPC are kept informed and have final say in any major policy initiative is also designed for politicians to maintain control of the policy agenda.

As mentioned previously, another reason for the development of the SPCs was to "allow the backbench MLAs to have input in the business planning of the ministries"[402] and to allow Caucus to exert a level of control over the civil servants that was not there in the past. Klein was committed to empowering backbenchers and "part of that empowerment was giving them a say in the structure of business plans and bringing their views to the table."[403] As noted by one government member, there was the perception by the backbenchers that they were in control because they could hold the civil servants accountable for the decisions they make when they present the final draft version of the business plan to the relevant SPC.[404] Paul Boothe contends that because backbenchers who sit on the SPCs are more involved in policy development than in previous times, they are perceived to "have a greater accountability for the success or failure of government policy."[405] Overall, as Keith Brownsey has observed, this level of political control or participation from the Minister, Cabinet, and backbenchers concerning planning did not exist prior to the establishment of business plans and SPCs in government.[406] Accountability, in this regard, again supported the idea of answerability between civil servants and government members and between ministers and caucus members. Through the SPCs, additional controls were in place to ensure backbenchers' views were acknowledged and to thwart any perceived power and influence civil servants may have over the policy agenda.

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[399] Government of Alberta, Personnel Administration Office, "How Government Works." http://www.pao.gov.ab.ca/infocentre/government/govt-works/how-govt-works.htm. Accessed 02 March 2006.
[400] Interview participant, Senior Civil Servant (political staff). Edmonton, Alberta. August 1999.
[401] Interview participant, Government Member. Edmonton, Alberta. August 1999.
[402] Interview participant, Senior Civil Servant, Edmonton, Alberta. July 1999.

4.1.4 The Relationship Between the Deputy Minister and the Minister

While the vast majority of interview respondents felt that the business planning process influenced the accountability relationship between civil servants and politicians in some manner, there were several executive civil servants and government members who felt that the business plans especially influenced the accountability relationship between a Minister and his or her Deputy Minister. The interview respondents (government members and civil servants) who spoke on this issue stated that while a Deputy Minister has always been accountable to his or her Minister, the business plans assisted in clarifying the management role to which they believed improved accountability. Yet again, the reporting relationship was not significantly altered nor were the roles and responsibilities fundamentally changed. Instead, the responses once again focused on the clarification of roles and responsibilities reminiscent of what the traditional political-administrative dichotomy espoused.

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[403] Interview participant, Government Member. Edmonton, Alberta. July 1999.
[404] Interview participant, Government Member. Edmonton, Alberta. July 1999.
[405] Paul Boothe, "The New Approach to Budgeting in Alberta," p. 227.

For example, one of the executive civil servants noted that deputy ministers are becoming "more accountable for the management of the department and the implementation of the business plans."[407] A government member further commented that the business planning framework clarified the responsibilities in the following way: "In many ways it happened that a Minister said, 'this is our business plan and we want to get this done, go off and do it.' Ministers don't manage. Deputies manage and that's the way it should be."[408] Similarly, another executive civil servant argued that business plans "clarified the relationship between the Deputy and the Minister in the sense that the plan was clear in what was expected of the Deputy's performance."[409] In this case, according to most of the executive civil servants and government members, the business plans assisted in showing that deputy ministers were the managers and the politicians were those who provided the strategic direction on how to manage and implement policies. But these interview comments about the clarified roles and responsibilities simply

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[406] Keith Brownsey, "The Post-Institutionalized Cabinet: The Administrative Style in Alberta," pp. 217-224.
[407] Interview participant, Executive Civil Servant. Edmonton, Alberta. July 1999.
[408] Interview participant, Government Member. Edmonton, Alberta. July 1999.

reflected the traditional political-administrative dichotomy where politicians developed policy and civil servants implemented services and programs and took direction from their political masters and hence, there was no significant change in the accountability relationship between a Deputy Minister and a Minister in this regard.

Although the roles did not fundamentally get altered, the business planning process required the Deputy Minister to take on additional responsibilities in reference to cross-government initiatives. For example, one of the executive civil servants noted, "that the deputy minister now has three responsibilities – to run the department, to provide the department with policy advice and support, and to provide corporate-wide support to the overall government agenda as well as to the Premier."[410] When asked what the difference was between the previous and the current role, the executive civil servant further stated that in the past, deputy ministers concentrated on running the department and supporting the minister. The change is now deputy ministers are more involved in cross-government initiatives that are both administrative and policy in nature. As he further noted, "increasingly ministers are asking the deputy ministers to do more in that area (cross-government initiatives) than less."[411] In this case, deputy ministers have increased what they became accountable for, but have also increased the power they have through increased knowledge of cross-government administrative and policy issues. There is, however, a political check on this additional power because deputy ministers are required to report on their department's contributions to meeting the goals of the cross-government initiatives. The department's performance on cross-government initiatives is

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[409] Interview participant, Executive Civil Servant. Edmonton, Alberta. July 1999.
[410] Interview participant, Executive Civil Servant. Edmonton, Alberta. August 1999.
[411] Interview participant, Executive Civil Servant. Edmonton, Alberta. August 1999.

also part of the deputy minister's annual performance evaluation so additional political monitoring is conducted through this method as well.

It is important to note that because of the contextual nature of responses based on position, there were mixed views on whether or not a Deputy Minister actually gained or lost power with the establishment of business plans. Interestingly, those interviewees who were not currently a civil servant or a government member tended to state that the business planning process negatively influenced a deputy minister's power. For example, one of the opposition members stated that, "in 1993-94, through the business planning process, power was withdrawn from the deputy ministers."[412] The interviewee further explained that there was "a shift in power that occurred because the political staff, and the Premier's Office in general, drew power from the individual departments over the policy and management structure." While there was an overall loss of power for deputy ministers, the interviewee also commented that the position of Deputy Minister of Executive Council emerged with more power than in previous times.[413] Another executive civil servant substantiated this perspective and argued that, "a major, deliberate side effect of this whole process was the rapid decline of the role, status or influence of the deputy minister, who did literally run the government"[414] in previous times. This perspective reinforces the strengthening of the political-administrative dichotomy and the perceived need for politicians to reestablish control over civil servants, especially those at the executive management level.

Other interviewees did not necessarily agree that deputy ministers lost power because of business planning. As one government member notes, "I don't think that it gives more power to the Minister. It might concentrate things a little more at the Executive Council level, the Deputy Minister level. And I hope that it does. That is where we have to get the deputy ministers working together."[415] Another government member was hesitant about suggesting that power had shifted and indeed, "questioned if power was the right word to use to reflect this transforming relationship."[416] The government member further notes, "I don't think that power is the right word but certainly the deputy ministers will have the ability to have influence the government business plan in addition to their own department's business plan."[417]

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[412] Interview participant, Opposition Member. Edmonton, Alberta. August 1999.
[413] Interview participant, Opposition Member. Edmonton, Alberta. August 1999.

With the establishment of the business planning process, the traditional relationship between a Minister and Deputy Minister was being tested. According to most of the interviews, the respondents believed that accountability had been influenced because both the Minister and Deputy Minister had more clarity on who was responsible for what in the department and in general, they were clearer on who developed and implemented policy. The interview respondents tended to support the traditional definition or interpretation of accountability in the sense that there was the focus on ministerial responsibility and the clarification of roles and responsibilities. This interpretation is directly related and supports the Government of Alberta's formal definition of accountability in the sense that it directly relates to answerability. Interestingly, there was also some disagreement to what extent the relationship had been influenced and who gained more power or influence with the establishment of business plans. This disagreement is representative of the positions of the interviewees and

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[414] Interview participant, Executive Civil Servant. Edmonton, Alberta. September 1999.
[415] Interview participant, Government Member. Edmonton, Alberta. August 1999.
[416] Interview participant, Government Member. Edmonton, Alberta. August 1999.
[417] Interview participant, Government Member. Edmonton, Alberta. August 1999.

consequently, the influence of business plans on accountability is also contextual. Overall, the interpretation of accountability remained supportive of the traditional definition of accountability in that it supports ministerial responsibility and answerability and what changed were the parameters of accountability as the Deputy Minister became accountable for policy and administrative areas outside his or her department.

4.1.5 A Mechanism of Control – Centralization of Processes

As mentioned previously, the vast majority of interview respondents stated that there was a concerted effort to centralize power when Klein came to power. Another mechanism of centralized control most interview respondents mentioned that influenced the civil servant and politician relationship is that there was now a significant amount of political control over the bureaucracy through the centralization and coordination of planning via the Department of Finance (formerly Treasury). Business plans were and continue to be coordinated through the Department of Finance and from the outset, the ministries were given a set of guidelines to abide by in developing their plans. Although each Ministry is responsible for developing its own plan, allowing some element of flexibility and creativity, there are strict guidelines regarding the length of the plan, the timeframe in which it must be complete, the categories to be included, and the overall format of the plan itself. Moreover, throughout the drafting of the plans, changes to the structure and wording are suggested by Finance to ensure that each of the department plans are complementary to each other and that standards of transparency and information are apparent.[418]

This standardization of the business plans did not formally occur until the second year the business plans were in force. In the first year, each ministry was encouraged to develop a business plan that they thought best reflected what their ministry did and the only direction received from Treasury was a brief one-page handout outlining what would be desirable in a business plan. In this handout, it stated that all business plans were required to have the following six elements: "assessment of the operating environment, mission and vision for the organization, goals of the organization, strategies for the achievement of goals, a financial plan, and measures of performance."[419] In this case, the business planning process was not as centralized and controlled as it became in the years to come.

Also, in the early years of the business planning process, the ministries would first develop their own business plans, and once submitted, the government would then draft their own.[420] This timeline has since changed and currently, the government now provides a draft version of their business plan to each of the ministries so that each department has direction on what they should include in their own plan.[421] In one sense, this change can also be seen as representing a more centralized managing environment. In the previous era, departments had more freedom to develop their own goals and objectives whereas now they are forced to ensure their own goals are reflective of the government's overall goals. Again, this more centralized planning system can be viewed as a more controlling environment where the government members provide direction and strict guidelines to the civil servants via the government-wide business plan. In this case, the Department of Finance, a support department and central agency, acts as an oversight vehicle to monitor the decisions and actions of the civil servants and to provide advice

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[418] Interview participants, Senior Civil Servants. Edmonton, Alberta. August 1999.
[419] Paul Boothe, "The New Approach to Budgeting in Alberta," p. 225.
[420] Interview participants, Senior Civil Servants. Edmonton, Alberta. August 1999.
[421] Interview participant, Executive Civil Servant. Edmonton, Alberta. August 1999.

and direction on a continuous basis throughout the business planning cycle and to ensure the goals of each ministry supports the overall goals as outlined in the government-wide business plan..

Finally, another mechanism of control that was mentioned by approximately half of the opposition members, media members, and civil servants was the way business plans were reported to the public and specifically, how this influenced the relationship between civil servants and politicians.[422] Each ministry did not release their business plan to the public without first of all ensuring that it received approval from the department's representatives from the Public Affairs Bureau (PAB). The PAB works closely with the Premier's Office and indeed, the managing director is equivalent to a deputy minister level position who works out of the Premier's Office.[423] Further, each department has at least one person from the Public Affairs Bureau to provide cross-government communications planning and consulting support and the Bureau also "places communications professionals in government ministries to coordinate, plan and implement communications programs."[424] Specific to the business planning process, while each department is responsible for writing their business plan, before submitting it to Treasury, to their respective Standing Policy Committee, to the legislature and to the general public, each business plan is sent to the department's Communications Branch to ensure the grammar, writing style, format, and overall message is clear and coherent. In this case, via the Public Affairs Bureau, the government was able to further control what was in a department's business plan, whether it be the content or format. The control of communicating the business plans to the public and the implications and issues concerning that relationship will be further discussed in the following section.

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[422] Interview participants. Media/Civil and Executive Civil Servants/Opposition Members. Edmonton, Alberta. August 1999.
[423] Keith Brownsey, "The Post-Institutionalized Cabinet: The Administrative Style of Alberta," p. 222.

4.2 The Contextual Influence of Business Planning on the Relationship Between the State and Citizens

As discussed in the previous chapter, one of the primary reasons for establishing the business planning process was to improve the accountability relationship between the state and citizens. There was a perceived breakdown in this relationship as demonstrated by the increasing dissatisfaction and lack of trust citizens had toward government in the late 1980s and early 1990s.[425] The Klein campaign in the 1993 election ran on the mandate to improve accountability and transparency in government with the ultimate goal to improve the public's trust in government. As such, according to all of the government member interviewees, business plans made available to the public were seen as a means to communicate with the public the goals and strategies of government with the intent to improve transparency and accountability.[426]

Paul Boothe, an economist who has written a great deal about the Government of Alberta, argues, "Transparency and accountability go hand in hand. In order for the public to evaluate the performance of government and hold elected officials accountable, financial and performance information must be available on a timely basis."[427] It is important to note that this view represents the traditional understanding of accountability whereby citizens hold the elected officials to account, not civil servants. In this sense, the accountability relationship between citizens and politicians was not significantly

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[424] Public Affairs Bureau, Government of Alberta, "What We Do." (2001). Retrieved on: 12 February 2005: http://www.pab.gov.ab.ca/whatwedo.cfm.

[425] See: Neil Nevitte, "Value Change and Reorientations in Citizen-State Relations," *Canadian Public Policy*, Vol. XXVI, supplement 2, 2000, pp. S73-S94; David Zussman, "Do citizens trust their governments?" *Canadian Public Administration*, Vol. 40, No. 2 (Summer 1997), pp. 234-254.

challenged or altered; instead, business plans were seen to be a process that simply strengthened the traditional reporting relationship.

In this section of the chapter, the results of the interviews will be discussed as they relate to this state and citizen accountability relationship. The three general themes that arose from the interviews are that there are respondents who believe the business planning process has positively influenced the accountability relationship and there are those who believe that there has not been any significant change. Finally, there are respondents who expressed some concern about the influence of business planning on the public especially as it relates to the political propaganda nature of the plans. Within this analysis will be the assessment on how accountability has been defined to determine the context of interviewee responses.

4.2.1 Defining Accountability as More Information and Transparency

Not surprisingly, all government members agreed that the business plans had improved the accountability relationship between citizens and elected officials. There was some support for this view from other interviewee categories; however, the majority of other interviewees were skeptical about the influence of business plans on the state and citizen relationship. Indeed, the most popular response from government members was that the business plans improved the relationship because of the increased amount of government information given to citizens. One of Klein's promises during the 1993 election and during the early years of his government was to increase the transparency of government decisions, policies, and processes. Through the public reporting of the business plans, as one government member noted, "it was deemed that the government

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[426] Interview participants, Government Members. Edmonton/Calgary, Alberta. July/August 1999.
[427] Paul Boothe, "Government Spending in Alberta," p. 15.

could become more accountable to the citizens of Alberta."[428] One of the ways a senior civil servant described this improved accountability relationship is that "if you have information, you can have discussion."[429]

Less than half of the civil servants and government members commented that the government made a deliberate effort to make the information in the business plans easy to understand so that citizens and interest groups could use it.[430] By providing information in a format and style that was accessible to citizens, some government members and executive civil servants stated that it reduced the perception that the government was trying to hide something from the public and the public reporting of the plans challenged the 'smoke and mirrors' stereotype of running a government.[431] Moreover, one of the government members found that with the business plans, "by and large, what you see, is what you get. There aren't the games and foolishness that you used to get when there was only a budget once a year that was made public."[432]

It is also important to note that less than half of government members and civil servants found that the public reporting of the business plans also complemented and related to the other public reports published by the Government of Alberta such as the annual report and the Measuring Up report. The business plans, annual reports, and the Measuring Up report are all made available to the public via the Government of Alberta's website. Whereas the business plans outline the goals and strategies that each department intends to fulfill over the course of the fiscal year, the annual reports comment on how successful the Government of Alberta was in reaching the goals and performance targets. The Government of Alberta annual report includes consolidated financial statements, an accountability statement from the Minister of Finance, and the Measuring Up report. It was felt that by providing information on the goals and actual performance of government in trying to reach those goals, as one government member contended, "the Government of Alberta was providing a well-rounded, cohesive, and complete picture of the government's activities hence, improving transparency and accountability."[433]

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[428] Interview participant. Government Member. Edmonton, Alberta. August 1999.
[429] Interview participant. Senior Civil Servant. Edmonton, Alberta. September 1999.
[430] Interview participants. Senior/Executive Civil Servants. Edmonton, Alberta. June/July/August 1999.
[431] Interview participants. Executive Civil Servants and Government Members. Calgary/Edmonton, Alberta. June/July/August 1999.
[432] Interview respondent, Government Member. Edmonton, Alberta. July 1999.

According to all of the government member responses, the Klein government made a concerted effort to develop a results-based planning framework that was intended to provide an opportunity for citizens to learn more about government and to provide feedback on how the government can improve its reporting mechanisms. For example, in the Measuring Up report, the government provides information that compares actual performance results to desired results as set out in the government's business plan.[434] In terms of seeking input on how the government can improve its reporting, the Government of Alberta developed a readership survey in its Annual Report where questions are asked on the usefulness of the information, the ability to easily understand the material, and whether or not the annual report provides the information the public is looking for. Finally, there is also a general section where the government requests information from the public on how to improve the annual report in the future.[435] In all of the reports to citizens, one of the government members stated that it was important for the government "to be honest and clear about what was being presented and that throughout the years, there have been goals and targets that have been met where others fell short of the expected mark."[436] The government member further noted that, "honest accounting is an accounting to citizens and it is very healthy for the leadership to declare that. To make promises now and four years later forget that you made them, well, try to make new ones and expect people to believe them."[437]

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[433] Interview respondent, Government Member. Edmonton, Alberta. July 1999.

[434] Department of Finance, Government of Alberta, "Government of Alberta 2004-05 Annual Report: Report to Albertans on Budget 2004-05," Website: http://www.finance.gov.ab.ca/publications/annual_repts/govt/ganrep05/execsumm.html#3. Accessed on 02 June 2006.

[435] Department of Finance, Government of Alberta, "Government of Alberta Annual Report 2004-05 Readership Survey," "http://www.finance.gov.ab.ca/publications/annual_repts/govt/ganrep05/readership_survey.doc. Accessed 02 June 2006.

Given the interviewee responses from the government members and civil servants, it appears that transparency and information dissemination are intertwined with accountability. In other words, for the most part, transparency and information are seen to be components of accountability and by improving transparency and giving out information through the public reporting of the business plans, according to all of the government members and most of the civil servants, the government is therefore enhancing accountability. Before discussing the more critical and skeptical responses about the accountability relationship between citizens and government, another issue that was addressed in the interviews was the level of citizen involvement in the business planning process.

4.2.2 Business Plans and Citizen Involvement

To identify how the accountability relationship changed between citizens and government, and to further understand what definition of accountability was being used when responding to the questions, interview participants were asked if and how the Government of Alberta (government members and the civil service) interacted with citizens specific to the business planning process. All of the interview respondents from each of the interviewee categories who were able to respond to this question stated that for the most part, in the years 1993/94 to 1998/99, there was little direct interaction, if any, between civil servants and citizens in the business planning process; however, in some of the service departments, some level of consultation was taking place with citizens, stakeholders, and interest groups about policy issues in general.

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[436] Interview participant. Government Member. Calgary, Alberta. July 1999.
[437] Interview participant. Government Member. Calgary, Alberta. July 1999.

Indeed, according to the interview results, the level of public involvement in the business planning process seemed to depend on whether the department was a support or service department. For example, it was argued that the Ministry of Health and Wellness would tend to have more direct communication with citizens than a ministry that deals primarily with intergovernmental relations or with government services where the primary clients or stakeholders are civil servants.[438] One of the senior civil servants from the Ministry of Health and Wellness noted, "Stakeholders are very much involved in the business planning process where they lobby for this and that…and the individual components in a business plan is where we do most of the stakeholder consultation."[439] The majority of government members also expressed the need to consult with the public about the policies in the business plans. One of the government members stated that, "representatives of the people cannot set a policy agenda in a vacuum so they have to consult with interest groups, the public service, their constituencies, and their stakeholders."[440] The interview results suggest that both civil servants and government members were involved in consulting with the public on general policy issues and when appropriate, the content in the business plan as well.

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[438] Interview participant, Executive Civil Servant. Edmonton, Alberta. June 1999.
[439] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.

Approximately half of the civil servants also stated that not only is the input from stakeholders important to the Government of Alberta, but the consultation process is also of great importance. One of the civil servants employed in a service department argued that it was important to have stakeholders involved in the business planning process and that "in a lot of cases, the process is more important than the product because the process establishes the relationships, dialogue, and discussion."[441] The civil servant further noted that because of the relationship developed through the business planning process, the overall relations between the department and its stakeholders has improved a great deal. Supporting this view, another civil servant argued that through the business planning process, some departments have been able to establish a long-term and stable relationship with their stakeholders, clients, or partners. The interviewee further noted that instead of "just going out there once and saying 'what do you think,' got your opinion, and I may or may not take them into consideration, the business planning process has allowed for on-going dialogue."[442]

Another senior civil servant stated it was important for departments to ask their stakeholders to get involved in the business planning process because "then they are actually involved in the process as opposed to people just reacting to the business plans."[443] According to these civil servant interviewees, accountability had improved because not only was there more information for citizens, but citizens were also included in helping to shape what was in the business plans, and this was believed to have strengthened the accountability link between the state and citizens. In this sense as well,

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[440] Interview participant, Government Member. Edmonton, Alberta. July 1999.
[441] Interview participant, Senior Civil Servant. Edmonton, Alberta. September 1999.
[442] Interview participant, Senior Civil Servant. Edmonton, Alberta. September 1999.
[443] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.

if citizens were to be involved in the process, accountability would be shared to a certain extent between citizens and government.

It is also important to note that the majority of interviewees stated that the business planning process is not the stage when public consultation normally takes place with citizens, stakeholders, and interest groups. In other words, even though the public may not be directly involved in the business planning process does not necessarily mean they were not listened to or consulted with at some other point in time. For example, one of the government members stated, "I look at getting the public involved more when programs or policies are first being discussed rather than having public consultation at the business planning stage."[444] Substantiating this perspective, one of the executive civil servants from a support department noted, "How we interact with Aboriginal groups has always been defined and we do it on a regular basis, but is not done as part of the business planning process. It's part of the broader consultation process that the government is involved in."[445]

One of the executive civil servants further noted that consultation takes place in numerous ways most notably through summits, polling, focus groups, and roundtables. He also stated that the government "is not doing that specifically to see whether or not they are still popular, they are doing that to stay in touch with the people."[446] Another senior civil servant commented that it is important for ministries to ensure that "recommendations coming out of these consultation mechanisms, when appropriate and relevant, are to be included in business plans because if they are not, questions from the politicians and the Standing Policy Committees will be asked why they were not included."[447] In this sense, the SPCs and the politicians provide oversight to ensure there is a link between the business plans and consultations conducted between the Government of Alberta and the public.

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[444] Interview participant, Government Member. Edmonton, Alberta. August 1999.
[445] Interview participant, Executive Civil Servant. Edmonton, Alberta. June 1999.

Interestingly though, most of the interview participants from all of the categories could not go into detail how accountability has changed between citizens and the state because of the business planning process. Politicians have always been accountable to their constituents and the traditional way of holding politicians to account through elections was not changed because of the establishment of business plans. What seems to be the difference between Klein and previous governments, according to the vast majority of interviewees, is that Klein was upfront about the need to be accountable and that it was up to the citizens at election time to hold his government accountable in terms of the promises made during election time and the plans and reports while developed in office. For example, one of the civil servants stated that the strength of the business plans is that, "people can use them to judge just how well the government has done and use that information as part of their decision on who to vote for. I think that is the major strength of the business planning process as we are accountable to the people."[448] So, it seems what has changed then is the type and amount of information given to citizens in order for them to hold politicians accountable when it is time for citizens to vote. Other than that, no other consequence was identified by the interview participants that suggested a significant change was made in the accountability relationship between citizens and government or in the understanding or definition of accountability. In this

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[446] Interview participant, Executive Civil Servant. Edmonton, Alberta. July 1999.
[447] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.
[448] Interview participant, Senior Civil Servant. Edmonton, Alberta. June 1999.

instance, the traditional public administration interpretation of this accountability relationship remains dominant and relevant despite the establishment of business plans.

4.2.3 Skepticism about the Government and Citizen Accountability Relationship

Building on the previous section then, not all interview respondents agreed that the accountability relationship between citizens and the state was influenced by the business planning process. Not surprisingly, those who tended to provide a more critical view of the process tended to be those from outside the government such as the media, the New Democratic Party, or the Liberal Party. The primary concern of these interview respondents is that the business planning process does not fundamentally change the traditional accountability relationship between the public and the state. For example, one of the respondents stated:

> You know, for the life of me, I cannot see what has really changed much concerning accountability over the last ten years. It still comes down to they have to run for re-election every four years or so, and that is the same accountability mechanism that has existed since 1867 and which appears to be the most effective one right now.[449]

Indeed, most of the opposition and media respondents stated that the business planning process did not fundamentally change the citizen and government accountability relationship and instead, the relationship was influenced in a more indirect, symbolic manner.

To develop an understanding of what the citizen response was to the business plans, I asked if the government had ever conducted a survey that asked citizens anything about the business plans (e.g. whether or not they read the business plans, reasons why, how often, etc.) and to the interview respondents' knowledge, no surveys had been done.

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[449] Interview participant, Senior Civil Servant. Edmonton, Alberta. August 1999.

Hence, there is no empirical evidence to demonstrate if citizens are aware that there are business plans, if they read them, and most pertinent to this dissertation, if citizens feel the government is more accountable because there is a business plan and that they make the plan available to the public.

Despite this lack of knowledge about the readership of the business plans, and the possibility that not many members of the public read the business plans at all, all of the interview respondents from each of the categories stated that the business plans were still important to make available to the public. For example, one of the media interviewees stated, "even though the plans may be something most people would not be interested in, even if it is in the margins, the planning and reporting is worth doing."[450] Another senior civil servant from the Department of Health and Wellness further noted that "even though the vast majority of the general public may not read the business plans, the content of the plan is used by the media and a variety of stakeholders such as the Alberta Medical Association and the United Nurses of Alberta."[451] One of the members of the business community stated that his firm regularly reads the business plans and when they are released to the public, they summarize the plans and then brief their clients on any relevant issues. He also noted that his firm's clients are interested in what is in the business plans if it directly affects them, "but for the most part, they don't care and they don't know about them."[452]

The vast majority of opposition members also stated that despite the limitations of the business plans, they still use them to hold the government to account and question government about the goals, strategies, performance measures, and targets that are used in the plans. For example, one of the members of the opposition said their party brought up in Question Period that, "last year, they missed 122 of their own performance measurements. And given what I said about performance measurements being self-serving, when you miss 122 of them, you have a problem."[453] In this sense, having the business plans made available to the public allows the opposition parties to hold the government to account on behalf of the public.

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[450] Interview participant, Media, Edmonton, Alberta. August 1999.
[451] Interview participant. Senior Civil Servant. Edmonton, Alberta. August 1999.

Finally, there were numerous concerns about the influence of the business plans on the accountability relationship between citizens and government concerning the legitimacy and authenticity of the documents. Not surprisingly, these concerns were raised by those in the media and those from the two opposition parties. This aspect of the business plans is discussed in greater detail in the following chapter but it is important to briefly comment on the influence the 'political nature' of the business plan. Several opposition members argued that the business plans did not have a significant influence on the relationship between citizens and the government[454] and as one opposition member stated, it was "because there was still a certain level of distrust about any documents written by the government."[455]

All of the opposition members from both political parties commented that when discussing the public reporting of the plans, it is important to identify the control the Premier's Office had on the final version of the business plans.[456] On that note, one of the other changes that ran parallel to the establishment of business plans was the increased role of communications professionals in government. As discussed previously,

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[452] Interview participant, Business Community. Edmonton, Alberta. July 1999.
[453] Interview participant, Opposition Member. Edmonton, Alberta. August 1999.
[454] Interview participants, Opposition Members. Edmonton, Alberta. July/August/September 1999.
[455] Interview participant, Opposition Member. Edmonton, Alberta. August 1999.

another trend[456] that influenced the content and format of the business plans was that it was becoming increasingly important, as one of the opposition members stated, in "how to spin the message and that the business plans were a means to spin the message the way the government wants it spun and written."[457] Accordingly, business plans were seen to be part of the government's repertoire of ways to communicate to the public and hence, were to be edited to reflect what message the government wanted to send out to Albertans. The concerns about the authenticity of information and propaganda element in business plans will be further explored in the following chapter.

4.3 Interpreting Accountability: Influence of Business Plans on Accountability Relationships

During the 1990s, many governments established policies, processes, and structures to improve accountability relationships. This quest to improve accountability in government remains one of the most discussed topics in public management literature and it appears the issues that governments were trying to address in the 1990s remain the same in the twenty-first century. For example, amongst many other initiatives and publications, the Commonwealth Association for Public Administration and Management (CAPAM) and the Centre for Specialization in Public Administration and Management held a seminar on "Managing the Political-Administrative Interface" in April 2006. Similar to this study's interview results, the conference participants (who consisted of ministers and civil servants) stated that they wanted "roles clarified amongst the different political and administrative actors."[458] The civil servants further stated improved clarity was especially important in order to reduce the micromanagement of ministers.[459] Again, similar to the interview findings in this dissertation, the conference participants stated that one of the key issues for ministers "is how to infuse the public service with the energy and commitment to achieve the political programme within an electoral term. Public servants need to internalise the government's mandate. What is required is total commitment to the political agenda."[460]

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[456] Interview participants, Opposition Members. Edmonton, Alberta. July/August/September 1999.
[457] Interview participant, Opposition Member. Edmonton, Alberta. August 1999.
[458] Alex Matheson, CAPAM "The Context," Partners in Nation Building: SADC Politicians and Public Servants. Report of the regional seminar, "Managing the Political-Administrative Interface: A Partnership for Public Service." (April 2006), p. 9.

Interestingly, ministers at the conference also stated that they felt there should "be clear ground rules on the sharing of information with all players, and acceptance of the minister's right to any departmental information in a timely manner."[461] In reading over the seminar's findings, the concerns raised about the civil servant-minister relationship were similar, and in some cases identical, to those found in my interview results. Moreover, the issues that the traditional public administration approach was grappling with in the mid twentieth century (e.g. the scope of ministerial responsibility, the accountability relationship between civil servants and ministers) are still being addressed in this new era of public management reform. This on-going attention to the accountability relationship between civil servants and their Minister raises the question if this accountability relationship can ever be 'fixed' or whether we have to accept that this power relationship can only be controlled. Further, because accountability is viewed to be a chameleon type of concept depending on the user and context, it may be that those in the public administration field will be continuously studying how accountability is defined and applied for decades to come.

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[459] Ibid., p. 10.
[460] Ibid., p. 9.
[461] Ibid., p. 10.

Specific to the interview results in this chapter, much attention was given to the accountability relationship between civil servants and government members. Bresser-Pereira observes that among the ways a government has attempted to make civil servants accountable is through "control by contracted outcomes…besides the classic forms of control: direct supervision, checks and balances, and parliamentary review."[462] As will be further discussed in the following chapter, a performance management framework was put in place in the mid 1990s to evaluate the performance of civil servants in meeting the goals and objectives as outlined in their department's business plans. In this case, as will be further argued, the government increased 'control by contracted outcomes' by establishing performance plans to monitor and ensure civil servants fulfilled the expected outcomes and rewarding and punishing them accordingly. This idea of control is reflective of the public choice paradigm because actions and decisions are believed to be based on self-interest, and government members find it necessary to control civil servants to ensure that decisions are based on the best interests of government, and ideally, society at large.

In assessing the interview results, what appears to have changed from the traditional public administration era to the new public management era is what ministers and civil servants are publicly accountable for. While the traditional public administration approach to accountability remains prominent with the focus on the political-administrative dichotomy and answerability, the new public management paradigm has also influenced the interpretation of accountability. For example, as numerous authors have argued, the new public management literature assumes a strong relationship between performance and accountability.[463] Hence, as Demirag et al. argues, whereas in the traditional public administration era where "accountability was used to maintain the distinctiveness and integrity of the public sector, it is now perceived as a tool for enhancing government's ability to deliver public goods and services – that is, its ability to 'perform' more effectively and efficiently."[464] This understanding of accountability as it relates to performance is different from the traditional understanding of accountability where the focus was on answerability and responsibility. Yet as noted in chapter two, there are numerous limitations to new public management and despite the focus on accountability and performance, few authors have attempted to explain the empirical or theoretical relationship between the two variables.[465] Indeed, more research needs to be conducted in this area to assess the relationship between accountability and performance.

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[462] Luiz Carlso Bresser-Prereira, *Democracy and Public Management Reform: Building the Republican State* (Oxford: Oxford University Press, 2004), p. 187.

Another difference between the traditional understanding of accountability and the NPM version of accountability under the Klein government is the amount of information via business plans that was being shared. In this sense, accountability was being interpreted as transparency between civil servants and government members with the business plan being the primary transmitter of information. Despite this NPM influenced perspective on accountability, the traditional answerability component of accountability is still central to civil servants giving more information to government members. In other words, supplying more information via the business plan is in one sense an accountability contract between civil servants and politicians to support the idea of answerability. If goals, objectives, performance measures and targets are written down and agreed to by both the Minister and civil servants, then this acts as the document to which civil servants are answerable to the Minister and to which the government is answerable to the public. The provision of information is an important part of an accountability framework for government. Indeed, Mark Schacter contends that, "No meaningful accountability is possible without a minimum quantity and quality of information being available to an institution of accountability."[466]

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[463] For example, see: J. J. Glynn and M.P. Murphy, "Public management: Failing accountabilities and failing performance review", *International Journal of Public Sector Management,* Vol. 9 No. 5&6 (1996), pp. 125-137; P. Robinson, "Government accountability and performance measurement", *Critical Perspectives on Accounting*, Vol. 14 No.1/2 (2002), pp. 171-186; and K.S. Cavalluzzo and C.D. Ittner, "Implementing performance measurement innovations: evidence from government", *Accounting, Organizations and Society*, Vol. 29 No. 3&4 (2004), pp. 243-267.

[464] I. Demirag, M. Dubnick and I. Khadaroo, "Conceptualizing the Relationships between Accountability Processes and Value for Money in the UK's PFI," Paper presented at the Accountable Governance: An International Research Colloquium. Institute of Governance, Queen's University, Belfast, Ireland. (20 - 22 October 2005), p. 3.

[465] For example, see: M. Hammersley, 'The relevance of qualitative research', *Oxford Review of Education*, Vol. 26 No.3/4 (2000), pp. 394-405; I. Lapsley, "Accounting, Modernity and Health Care Policy", *Financial Accountability& Management,* Vol. 17 No. 4 (2001), pp. 331-350; M. Dubnick, "Accountability and the promise of performance: In search of the mechanisms", *Public Performance and Management Review*, Vol. 28 No. 3 (2005), pp. 376-417; and M. Dubnick, "Clarifying Accountability: An ethical theory

It is also important to note that this version of accountability (transparency and additional information) was seen as a positive change amongst the vast majority of civil servants and governments; however, other interviewee categories were more skeptical of the changes taking place. Instead of seeing business plans as clarifying the roles and responsibilities of ministers and civil servants, all of the interviewees from the opposition member and media categories saw the business planning process as a means to further control civil servants because there was the perception that civil servants had usurped power from the government members. These different perceptions of accountability and the accountability relationship between civil servants and government members are to be

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framework", In C. Sampford and N. Preston, eds., *Public sector ethics: Finding and implementing values*, (London: Routledge, 1998).

[466] Mark Schacter, "When Accountability Fails: A Framework for Diagnosis and Action," *Canadian Journal of Policy Research*, Vol. 2:2 (Summer 2001), p. 136.

expected. As William Connolly argues, "To say that a policy or practice is in the interests of an individual or group is to assert both that the recipient would somehow benefit from it and that there is therefore a reason in support of enacting that policy."[467] In other words, given their roles in the business planning process, it is expected that civil servants and government members would be less critical than the media and opposition members about the influence the plans had on the civil servant-minister relationship.

Specific to the accountability relationship between government and citizens, the interview results demonstrated mixed results depending on the interview category. Again, similar to the responses to the civil servant-minister accountability relationship, the government members tended to be most positive about the influence of the plans on the accountability relationship between government and citizens. Likewise, members of the opposition and the media tended to be a great deal more critical of any change and questioned if business plans had influenced the accountability relationship between citizens and government at all. In this sense, the majority of opposition members and media people argued that the traditional interpretation of accountability between citizens and government remained the same where the only consequences the government faced if they did not meet the goals and targets in the business plans was possibly not winning their seat in the next election. According to Przeworski's interpretation of the accountability relationship between citizens and government, governments are "accountable if citizens can discern whether governments are acting in their best interests and sanction them appropriately, so that those incumbents who act in the best interest of citizens win elections and those who do not lose them."[468] The author further notes that given this definition of the accountability relationship between government and citizens, "it is clear how difficult it is to reach this democratic objective."[469] Although difficult, no doubt the government members and civil servants would suggest that the business plans allow citizens to learn more about what government is doing and to determine if government is acting in their best interests through the goals, strategies, and performance measures included in the business plans. On the other hand, because of the political nature of the business plan where rarely, if ever, would there be anything negative or potentially damaging to the government in the plans, the content therefore does not provide citizens with enough accurate information about the activities of government. This latter point is fully explored in the following chapter.

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[467] William Connolly, *The Terms of Political Discourse*, p. 46.

In closing, William Connolly argues that "to describe is to characterize from one or more possible points of view, and the concepts with which we so characterize have the contours they do in part because of the point of view from which they are formed."[470] At the beginning of the dissertation, the argument that accountability was contextual was put forward. As demonstrated in this chapter, whether or not the accountability relationship between civil servants and government members or between government and citizens was perceived to have changed because of the establishment of business plans depended on the interview category. Yet interestingly enough, the definition of accountability remained similar, for the most part, amongst all of the interview respondents. For each of the interviewee categories, the central criterion for accountability remained answerability, which is representative of the Government of Alberta's formal definition of accountability and the traditional public administration's approach to interpreting accountability. Hence, even though the interpretation of accountability changed somewhat in that it focused on performance and transparency at times, performance and transparency still related to the idea of answerability. The following chapter further explores the interpretation of accountability but focuses on the performance measurement aspect of the business planning process.

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[468] Adam Przeworski as quoted in Luiz Carlso Bresser-Prereira, Democracy and Public Management Reform: Building the Republican State (Oxford: Oxford University Press, 2004), p. 194.
[469] Ibid.
[470] William Connolly, *The Terms of Political Discourse*, p. 23.

Chapter Five – Performance Measurement in the Government of Alberta

5.0 Introduction

While governments have always used some type of measurement to assess their programs, services, and overall popularity,[471] in the last decade, measuring performance has taken on a more formal and public approach. Alberta was the first provincial government in the country to adopt a publicly reported results-based performance measurement framework. In the Government of Alberta, performance measurement was an integral component of the business plans. In a broader context, it was also part of the accountability framework designed to address the accountability relationships between civil servants and elected officials and between government and citizens.[472]

At the theoretical level, the explicit and public focus on performance distinguishes the traditional public administration approach from the new era where new public management and public choice theory have significantly influenced the policies, structures, and processes in government. In the traditional public administration era, the working relationship between ministers and civil servants was based on a conventional understanding on what the roles and responsibilities were for each position. As Adam Tomkins observes, "the complex relations between civil servants, ministers, Parliament, and the public…have developed without and despite the law rather than under the authority and within the framework of the law."[473] Specific to the accountability relationship between civil servants and ministers in the Government of Alberta, there was no performance contract identifying what goals, objectives, performance measures and targets were to be achieved by civil servants. Moreover, performance evaluations were sporadic and not standardized, if they were done at all. Specific to the relationship between the government and citizens, there were no public business plans with performance measures and targets outlining what the government intended to do during their mandate. Given this situation, citizens were responsible for seeking out information from speeches, press releases, the media, government reports, budget documents, and the Speech from the Throne to identify what the government wanted to do in their term in office.

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[471] Other types of performance measurement may include evaluations, polling, and elections.

[472] Rich Goodkey, "The Alberta Perspective" *Business Planning in Canadian Public Administration*, Luc Bernier and Evan Potter, eds. Institute of Public Administration in Canada, New Directions, No. 7 (April 2001), p. 70. While civil servants have multiple accountabilities, the focus of this chapter will primarily be between ministers and civil servants. For more information on multiple accountabilities, see: Charles Polidano, "Why Bureaucrats Can't Always do What Ministers Want: Multiple Accountabilities in Westminster Democracies," *Public Administration and Public Policy*, Vol. 13:1 (Spring 1998), pp. 35-50.

This chapter focuses on the complex relationships between ministers and civil servants and between citizens and government as they relate to performance, control, and accountability in the context of traditional public administration, new public management, and public choice theory. Three major themes that will be addressed in this chapter are the centralization of political control via performance measures, the development of a more results-based performance measurement framework, and again, the contextual nature of accountability. To develop an understanding of the different approaches to performance measurement, the chapter will first of all define performance measurement in relation to how it is understood and applied within the Government of Alberta.

The chapter will then briefly discuss the legislation, policies, and structures in place concerning performance measurement in the Government of Alberta. Afterwards, similar to previous chapters, it will discuss the findings the interviews conducted with numerous civil servants and politicians within the Government of Alberta, and members

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[473] Adam Tomkins, *Public Law* (Oxford: Oxford University Press, 2003), p. 85.

of the media and business community. To further assess performance measurement, a brief analysis of the findings of the Auditor General will be conducted. The analysis of the interview findings and the Alberta Auditor General's reports will be discussed in the context of the strengths and challenges of performance measurement faced by the Government of Alberta between 1993-1999, and ultimately how performance measures or the focus on performance have influenced the definition of accountability in the Government of Alberta.

5.1 Definition and Evolution of Performance Measurement

In the past decade, performance measurement has become one of the most popular tools to implement new public management principles. At a basic level, performance measurement is a qualitative or quantitative measure designed to assess performance against a goal or objective. Using this definition as a foundation, the literature on performance measurement predominantly addresses the definition of performance measurement in a results-based management environment with the focus on results being a core characteristic of NPM.[474] Paul Thomas further defines performance measurement as "the regular generation, collection, analysis, reporting and utilization of a range of data related to the operation of public organizations and public programs, including data on inputs, outputs and outcomes."[475] Patricia Ingraham et al. identifies that this focus on results "is the dominant mechanism by which leaders identify, collect, and use the performance information necessary to evaluate the institution's success with respect to key objectives, to make decisions, and to direct institutional actions."[476] Indeed, this focus on outcome performance measures and results-based government is reflective of NPM's influence on the governing and managing environment.[477]

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[474] For examples of a results-based approach to performance measurement, see National Performance Review, *"Serving the American Public: Best Practices in Performance Measurement,"* http://govinfo.library.unt.edu/npr/library/papers/benchmrk/nprbook.html#glossary Accessed 04 November 2003. Treasury Board of Canada Secretariat, Government of Canada, *Canada's Performance 2003*. Introduction. http://www.tbs-sct.gc.ca/report/govrev/03/cp-rc1_e.asp. Accessed 12 March 2004.

Evolving from the fields of auditing, budgeting, and policy/program evaluation, performance measurement was developed in many government jurisdictions to support and complement management and policy decision-making in the late 1980s and 1990s.[478] James McDavid and Laura Hawthorn make the argument that performance measurement actually had its roots in American local government as early as the early twentieth century where New York City "had the mandate to gather and report statistical data on costs, outputs, and some outcomes (infant mortality rates, for example) of municipal delivery activities."[479]

Since then, governments have established performance measures for a variety of reasons. For example, performance measures have been developed to monitor a government's performance, and in weak areas of performance, to draw attention to where the government should improve. In this sense, performance measures are viewed to support the relationship between civil servants and ministers. For example, ministers can

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[475] Paul Thomas, *Performance Measurement Reporting and Accountability: Recent Trends and Future Directions*. Public Policy Paper 23. (Regina: Saskatchewan Institute of Public Policy, 2004), p. 1.
[476] Patricia Ingraham, Philip Joyce, and May Kneedler Donahue, *Government Performance: Why Management Matters* (Baltimore: John Hopkins University Press, 2003), p. 22.
[477] For example, see: Peter Aucoin, *The New Public Management: Canada in Comparative Perspective* (Montreal, Institute for Research on Public Policy, 1995); Arie Halachmi and Geert Bouchaert, eds. *Organisational Performance and Measurement in the Public Sector* (Westport, Ct.: Quorum Books, 1996); Sigurdur Helgason, *Toward Performance-Based Accountability* (Paris: Organization for Economic Co-operation and Development, 1997); Frans Leeuw, "Performance Auditing, New Public Management and Performance Improvement: Questions and answers." *Accounting, Auditing & Accountability Journal,* Vol. 9:2 (1996): 92-102.
[478] Mary Kopczynski and Michael Lombardo, "Comparative Performance Measurement: Insights and Lessons Learned from a Consortium Effort" Mini-Symposium on Inthencevernmental Comparative Performance Data, *Public Administration Review*, Vol. 59, No. 2. (Mar. - Apr., 1999), p. 124.
[479] James McDavid and Laura Hawthorn, *Program Evaluation & Performance Measurement: An Introduction to Practice* (Thousand Oaks, Calf., Sage Publications, 2006), p. 283.

monitor and evaluate the performance of civil servants to ensure they meet the goals, objectives and performance targets as established by government. Other internal reasons for developing performance measures include monitoring external contracts, improving strategic planning, and promoting interdepartmental communication and collaboration on policy areas where there is overlap.[480]

Another reason for a government's focus on performance has been to address the relationship between government and citizens. For example, business plans that include performance measures and targets are a way to communicate to the general citizenry about the government's performance at the program, department, and government-wide levels. According to the Government of Alberta, the positive influence of reporting publicly on their performance to citizens is that it is intended to enhance transparency of government actions and decisions, strengthen accountability between the state and citizens, and provide motivation for civil servants to improve services and programs for citizens.[481]

5.2 Approaches to Performance Management

A performance measurement framework, for the purposes of this dissertation, is defined as the way organizations have structured their policies and processes to assess and report their performance. The dissertation will also use the definition of performance management as defined by Wake Carroll and Dewar. These authors argue that performance management is defined by four elements: "(1) deciding what is the desired level of performance; (2) measuring performance; (3) reporting or communicating performance information; and (4) using performance information to compare actual performance to the agreed level of performance."[482]

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[480] Alberta Finance, "Results-Oriented Government: A Guide to Strategic Planning and Performance Measurement in the Alberta Government" (28 September 1998), p. 6. Accessed 12 July 2004: http://www.finance.gov.ab.ca/publications/measuring/index.html#other.

[481] Alberta Finance, "Results-Oriented Government: A Guide to Strategic Planning and Performance Measurement in the Alberta Government" (28 September 1998), p. 6. Accessed 12 July 2004: http://www.finance.gov.ab.ca/publications/measuring/index.html#other. For additional reasons why performance measures are established in government, see Paul Thomas, *Performance Measurement Reporting and Accountability: Recent Trends and Future Directions*. Public Policy Paper 23. (Regina: Saskatchewan Institute of Public Policy, 2004), p. 6.

Numerous studies exist that demonstrate the array of approaches jurisdictions have taken to implement a performance management framework.[483] In a Treasury Board of Canada Secretariat report, it notes that the provinces have developed a variety of mechanisms to measure their performance with some approaches more formal and integrated than others.[484] The Institute of Public Administration of Canada also identified various approaches to planning and measuring performance from a working group consisting of representatives from five jurisdictions in Canada (federal, Quebec, Ontario, Alberta, and Saskatchewan).[485] Overall, it appears that performance management frameworks are still in a state of transition in most jurisdictions although in Canada, there are jurisdictions that have a more extensive, complex, integrated, and formal framework than others.[486]

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[482] Barbara Wake Carroll and David Dewar, "Performance Management: Panacea or Fools' Gold?" *The Handbook of Canadian Public Administration*, Christopher Dunn, ed. (Don Mills: Oxford, 2002), p. 411.

[483] For a summary of key literature on performance literature in government, see: L. Lynn, C. Heinrich, and Carolyn Hill, "The Empirical Study of Governance: Theories, Models and Methods," Prepared for a workshop on Models and Methods for the Empirical Study of Governance, University of Arizona (29 April-01May, 1999). For general frameworks used in the private sector that have been applied to the public sector, see: Andy Neely, *Business Performance Management* (Cambridge: Cambridge University Press, 2002), pp. 145-210.

[484] See Treasury Board Secretariat of Canada, Government of Canada, *A Comparative Analysis of Governments' Performance Measurement Strategies*, (November 2000). Although this report needs to be updated to reflect recent changes in some of the provinces, it still provides the reader with a snapshot of the variety of ways provincial governments have chosen to address performance measurement within their jurisdiction.

[485] See Luc Bernier and Evan Potter, *Business Planning in Canadian Public Administration*, New Directions, No. 7 (Toronto: IPAC, April 2001).

5.3 The Government of Alberta's Performance Measurement Framework

This section of the chapter provides a brief overview of performance measurement in the Government of Alberta in relation to the purpose of the performance measures, the intent of the legislation and the performance reporting requirements, the objectives of the structural framework put in place, and the focus on the coordination of performance measures.

5.3.1 Purpose

According to the Government of Alberta, the purpose of performance measurement is multi-faceted. Initially, the primary purpose of performance measurement was to improve accountability as the measures were viewed to be a fundamental method of communicating the government's intended targets. In one of the main guides on performance measurement, it states, "One of the major reasons for implementing performance measurement in Alberta was the government's commitment to be open and accountable to the public."[487] Furthermore, in another early paper on performance measurement in the Government of Alberta, Rich Goodkey and Ken Ogata, two civil servants who were employed in Alberta Treasury in the early to mid 1990s, argue that "performance measurement was just one of several reforms initiated to make government more open and accountable to the public."[488] As will be discussed later on in the dissertation, the vast majority of the government member and civil servant interviewees also stated that performance measures were included in the business plans because they were perceived to provide evidence on the government's performance and hence, enhance accountability between the government and citizens.[489]

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[486] For example, in another research project on performance measurement in Western Canada, I have found that the Government of Alberta and the Government of British Columbia are more advanced than Saskatchewan and Manitoba. In recent years though, the Government of Saskatchewan has developed performance plans for each department. For example, see the Department of Finance's performance plan: Accessed 02 November 2006: http://www.gov.sk.ca/finance/accountability/perfplanspubs.htm. The Government of Manitoba does not a public government-wide plan with performance measures in place although they are currently in the process of improving their planning and measuring system (as of November 2006).

[487] Department of Finance, Government of Alberta, "Measuring Performance – A Reference Guide – Part 1," Accountability Framework section. Accessed 07 November 2003: http://www.finance.gov.ab.ca/measuring/aboutperfmeas.html

Alberta Finance also stated that another purpose for measuring performance was to improve overall management and planning in government. For example, Alberta Finance argued that measuring performance can assist in making better decisions in government because it "involves studying the results of the initial implementation of a plan's strategies, and determining what happened."[490] In assessing the results of the performance measures, Alberta Finance further noted that, "Positive results can lead to full implementation. Mixed or negative results may require deciding whether to stay the course, make changes to the plan, or abandon the strategy altogether."[491]

Improving management, planning, and decision-making in government and the civil service became increasingly important as the Government of Alberta adopted a results-based approach to measurement and planning in general. For example, the guiding principles of this approach, as outlined in Alberta Finance's *Measuring Performance: A Reference Guide,* are the following:

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[488] Ken Ogata and Rich Goodkey, "Redefining Government Performance" Cambridge Paper. Presented 16 July 1998. Accessed 06 March 2004: http://www.finance.gov.ab.ca/publications/measuring/index.html#govt_wide.

[489] Interview participants, Civil Servants/Government Members, Edmonton/Calgary, Alberta (June/July/August 1999).

[490] Department of Finance, Government of Alberta, "Measuring Performance – A Reference Guide – Part 1," Accessed 07 November 2003: http://www.finance.gov.ab.ca/measuring/aboutperfmeas.html

[491] Ibid.

> …focus on results - determine the effects programs are having rather than measuring what has been produced; a few key measures per ministry - provide a snapshot of the ministry's performance for its core businesses; measures developed by ministry program officials - programs officials know their business the best; measures owned by ministries - ministries held accountable for the measures they develop and the results they achieve; measures should be free from bias - report both good and bad performance; and, work with the Auditor General - to ensure the selection of valid and objective measures.[492]

Substantiating this results-based approach to performance measurement, Julian Nowicki, former Deputy Minister of Executive Council with the Government of Alberta, stated that the four principles of performance measurement are: "specify desired measurement results for each goal, measure progress towards desired results, report the results, and use the results to improve effectiveness."[493] As Paul Thomas has argued, a "prominent feature of NPM is a shift away from accountability involving the apportionment of blame through the political process in favour of a more positive, objective approach based upon the demonstration of results."[494]

As mentioned previously in this dissertation, the business plans attempted to focus on outcome measures instead of the traditional input or output measures. Indeed, Rod Rhodes argues that, "NPM is framed around performance control based on the achievement of outcomes rather than the management of process."[495] Accountability for results is one of the most significant shifts from the traditional public administration era to the NPM and public choice era "with the aim of delegating authority and responsibility to individual civil servants and applying performance measures to operational activities."[496] Not to be overlooked is that it is the government who chooses the outcomes and performance measures that will be reported to the public. In this sense, the government controls the performance framework and what it will be held accountable for to the public.

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[492] Alberta Finance, Government of Alberta, "Measuring Performance: A Reference Guide," *Part 2 – Measuring Performance.* Accessed 07 November 2003: http://www.finance.gov.ab.ca/measuring/aboutperfmeas.html

[493] Julian Nowicki, "The Practical Realities of Performance Measures Implementation in Government" Embracing the Future: Sustainability and Measuring for Success. A Conference on Performance Measures (Edmonton: October 2003), CD-rom.

[494] Paul Thomas, "The Changing Nature of Accountability," p. 379.

5.3.2 Legislation and Oversight

Prior to 1993, a formal performance measurement framework did not exist within the Alberta government. The interview results found that while there were some departments that used performance measures to assist in program management and performance monitoring prior to the establishment of business plans in 1993, it was not a government-wide practice nor were the measures made available to the public.[497] Reporting on the government's performance relied on traditional government tools such as annual reports, budget documents, and government speeches.

The Klein government, committed to improving accountability, legislated performance measurement in conjunction with the development of the business plan.[498] The Government Accountability Act was passed in 1995 and this legislation established requirements for the Alberta government and individual ministries to report on their

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[495] Rod Rhodes, "'Shackling the Leader?': Coherence, Capacity and the Hollow Crown" in *The Hollow Crown: Countervailing Trends in Core Executives*, P. Weller, H. Bakvis, R.A.W. Rhodes, eds. (London: Macmillan, 1997), pp. 198-223.

[496] David Dillman, "Deconstructing Boundaries: The Journey from *Next Steps* to Delivery and Values in the Senior Civil Service," Paper presented at the Ethics and Integrity of Governance: The First TransAtlantic Dialogue (Leuven, Belgium: 2-5 June 2005), pp. 4-5. Accessed 04 August 2006: soc.kuleuven.be/io/ethics/paper/Paper%20WS1_pdf/David%20Dillman.pdf .

[497] For example, see the "The McCoy Plan: The Government 1992-1997," Elaine McCoy Leadership Campaign, pp. 11-12. In interviews with employees of the now-defunct Ministry of Labour (Elaine McCoy was Minister of Labour in the late 1980s), interview participants stated that they had begun to use a business plan model, with performance measures as one of the components, to assess the performance of their ministry and to use as a planning model.

performance to the Legislative Assembly and to the public in business plans and annual reports. Business plans and performance measures are required by legislation as set out in the Government Accountability Act (7.3) and the Act states that the government business plan is to include the following: (a) the mission, core businesses and goals of the Government; (b) the measures to be used in assessing the performance of the Government in achieving its goals; (c) the performance targets set by the Government for each of its goals; (d) links to the ministry business plans.[499] Not only does the Government of Alberta have to develop performance measures, they also have to develop targets and publicly report on an annual basis. For example, in the consolidated annual reports, there has to be "a comparison of the actual performance results to the targets included in the government business plan ...and an explanation of any significant variances."[500]

To provide a comprehensive picture of performance measurement to citizens, the Government of Alberta developed a report titled *Measuring Up*.[501] Released with the annual report since 1994, the primary focus of *Measuring Up* was to communicate to the public on the performance of the Government of Alberta. The report contains information on the government's performance and includes both financial and non-financial measures. Within the report, the Government's current core measures and results are compared to the previous year's results to provide context but there is no further analysis. As noted on the Government's website, "there are no judgments in

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[498] Treasury Board Secretariat, Government of Canada, *A Comparative Analysis of Governments' Performance Measurement Strategies*. 03 November 2001. Accessed 12 October 2003: http://www.tbs-sct.gc.ca/rma/communic/prr2000/coman_e.asp.

[499] Government of Alberta, *Government Accountability Act* (Edmonton: Alberta Queen's Printer, 2000) Section 7.3. The *Act* was established in 1995 and revisions were made in 2000.

[500] Ibid.

[501] The *Measuring Up* report is compiled by the Performance Measurement unit of Alberta Finance.

Measuring Up about whether the results are good, bad or indifferent. We leave Albertans to make up their own minds."[502] Hence, if a department does not meet its target or if a department decides to eliminate and replace a performance measure, there are no explanations as to why these changes take place in *Measuring Up* as only the measures are presented. This somewhat laissez-faire attitude toward the need to provide a more in-depth analysis has since been dealt with to a certain extent.

In recent years, there have been several initiatives to provide more information to assist with Albertans' assessment of the Government of Alberta's performance. For example, in the 2003 Measuring Up report, the Government of Alberta notes that:

> Supplemental measures are also provided to give Albertans more information on progress made towards achieving the goals. Explanations of how major influences or external factors affected performance results are also included. This helps readers better assess performance over the past year. One example is the land quality core measure, which shows a need for improvement. The biggest factor affecting this measure was the drought in southern Alberta.[503]

In addition, detailed information about departmental measures can be found in each of the annual reports and includes such information as the methodology behind each measure and a comparison of results with the preceding year(s).

Another aspect of the performance measurement framework is the oversight role the Alberta Auditor General plays. The role of the Alberta Auditor General's office is that it conducts an annual audit on the performance measures as reported by the Government of Alberta. While the Auditor General's office conducts an audit on the measures in the *Measuring Up* reports, the office also began to conduct specified auditing procedures on departmental measures in the late 1990s and early 2000s. A specified auditing procedures engagement, as defined in the *Regulated Accounting Profession Act*, "means the preparation of a written report of the results of applying specified auditing procedures to financial information other than financial statements where those procedures are not for the purpose of performing an audit engagement or a review engagement."[504] For example, as stated in the Ministry of Gaming's 2002-03 Annual Report, the Alberta Auditor General conducted a specified audits' investigation[505] and completed the following tasks:

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[502] Department of Finance, Government of Alberta, "Government Accountability: About Measuring Up," Accessed 17 March 2004: http://www.finance.gov.ab.ca/measuring/.

[503] Government of Alberta, "About Measuring Up," *2002-03 Annual Report: Report to Albertans on Budget 2002* (Edmonton: Alberta Queen's Printer, 2003). Accessed on 04 March 2004: http://www.finance.gov.ab.ca/publications/measuring/index.html.

> I have…Agreed information from an external organization to reports from the organization; agreed information from reports that originated from organizations included in the consolidated financial statements of the Ministry to source reports. In addition, I tested the procedures used to compile the underlying data into the source reports; checked that the presentation of the results is consistent with the stated methodology; checked that the results presented are comparable to stated targets, and information presented in prior years; checked that the performance measures, as well as targets, agree to and include results for all of the measures presented in Budget 2002; and agreed the information to source reports. In addition, I checked that the supporting narrative is consistent with the information.[506]

The Alberta Auditor General is an integral part of the performance measurement reporting framework in Alberta in that the office provides a monitoring and evaluation function. The Alberta Auditor General's office also expanded its role over the last decade in the provision of education materials to assist ministries in the areas of business plans, accountability, and performance measurement.[507]

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[504] Government of Alberta, *Regulated Accounting Profession Act* (Edmonton: Alberta Queen's Printer, 2000), Chapter R-12, part 10 (zz).

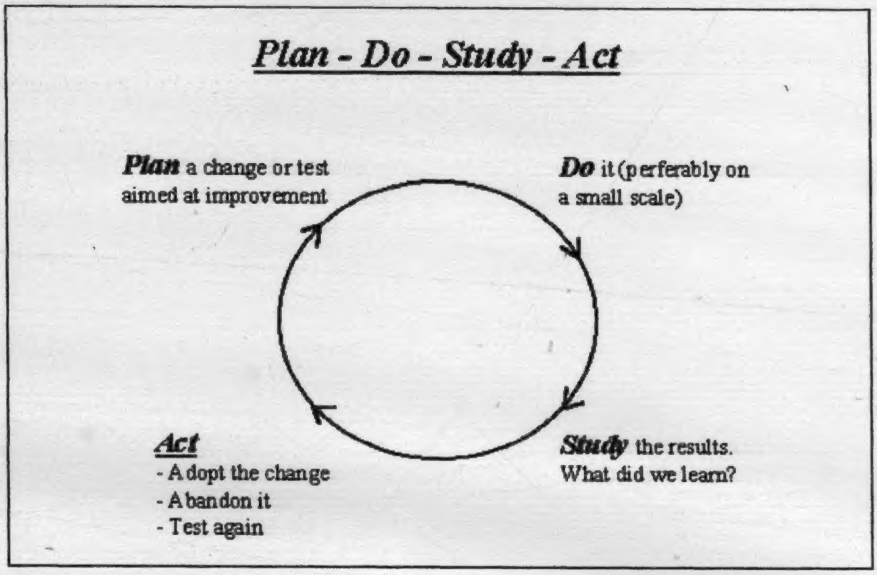
[505] A specified audit procedure is typically defined as procedures that define criteria, scope, and reporting requirements of a program/service/process. In reference to performance measures, the Alberta Auditor General conducts these types of audits on government departments that address the methodology and reporting of performance measures.

[506] Ministry of Gaming, Government of Alberta, *Alberta Gaming: 2002-03 Annual Report* (Edmonton: Alberta Queen's Printer, 2003), p. 34

5.3.3 Structure of Performance Measurement in the Government of Alberta

The structure of performance measurement can be discussed in numerous ways. One of the ways to identify the structure is to determine how performance measurement fits in with the rest of the planning cycle. In the Government of Alberta, for example, performance measurement is deemed to be the 'check' phase within the business planning cycle. Although the 'check' phase is not included in the following Government of Alberta diagram representing the business planning cycle, it is still viewed to be a vital component of the planning process.

Diagram 1: Plan-Do-Study-Act Planning Framework


Plan - Do - Study - Act
Plan a change or test aimed at improvement
Do it (perferably on a small scale)
Study the results. What did we learn?
Act
- Adopt the change
- Abandon it
- Test again

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[507] For example, see Alberta Auditor General, "Client Satisfaction Surveys" (October 1998); "Best Practices in Preparing an Integrated Results Analysis" (June 2002); "Government Accountability (February 1997); and, "Improving Communications Between You and the Auditors: Tips for Ministries on Audits on Performance Measures" (April 2002). Accessed 12 March 2004: http://www.oag.ab.ca/ (the reading room).

Alberta Finance notes that the check phase involves studying the results of the initial implementation of the plan to assess if the goals and targets were met and if not, to ascertain the cause of the discrepancies.[508] Alberta Finance argues that:

> Measuring performance is not an independent activity, but an integral part of the overall corporate planning/strategic management process. Planning/management should not be regarded as a linear production line process, with a start and finish, but rather as an ongoing continuous cycle. Previous attempts to measure performance or use business planning have failed due to a lack of integration of the components…[509]

Hence, performance measurement can be viewed as to be part of a wider planning framework.

Another way to describe the performance management structure in the Government of Alberta is to describe the different types of performance assessment. Barbara Wake Carroll and David Dewar note that performance management can be difficult to understand because it typically addresses three types of assessment:

> One is the evaluation of programs or policy at the broad governmental or political level and includes a political consideration of basic objectives. The second is the implementation and management of an individual policy or program. The third is the assessment of the performance of individual employees. [510]

Ideally, these three levels of assessment are integrated so that individuals are assessed based on their contribution and performance to individual programs and policies. Individual programs and policies are then evaluated against the broad governmental goals to determine the level of support and performance.

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[508] Alberta Finance, Government of Alberta, *Measuring Performance: A Reference Guide, Part 1* (Alberta Finance, September 1996). Accessed 12 February 2004: http://www.finance.gov.ab.ca/publications/measuring/measupgu/guide1.html.

[509] Ibid.

[510] Barbara Wake Carroll and David Dewar, "Performance Management: Panacea or Fool's Gold?" in *The Handbook of Canadian Public Administration*. Christopher Dunn, ed. (Toronto: Oxford University Press, 2002), p. 413.

According to Alberta Finance, when performance measures were first developed, the three tiers of measurement consisted of core government measures, key ministry measures, and internal management measures. This structure varies somewhat from the performance management framework introduced by Wake Carroll and Dewar. When the performance measurement framework was first established in 1993-94, there was no formal model for assessing a civil servant's performance and measures for individual policies and programs were not given significant attention, as they were believed to be intertwined into ministry business plans and internal management measures. There were, however, goals and performance measures and performance measures at the government-wide and ministry levels.

The performance management structure has changed since it was first established in 1993. For example, in the 2006-09 Government of Alberta Business Plan, there are now two sets of measures that are provided. The first set of measures are called societal measures and they are designed to "track broad social and economic trends in the province…and should be viewed as measures of the province's well-being, taking into account all of the influencing factors both within and outside of the province."[511] The other set of measures are simply called performance measures (similar to the earlier core government measures) and are designed to track the Government of Alberta's macro level goals and what the government would like to achieve. Within the Government of Alberta's business plan, the three core businesses or themes of the Alberta government, are people, prosperity, and preservation[512] and each department is required to determine how their ministry's goals, objectives, and measures relate and support these three priorities. In other words, each of these government-wide core businesses has goals and strategies and corresponding performance measures that originate from the related departments. As noted in the government's business plan, "these measures are presented in the business plan with the last actual results and targets for each of the three years of the plan."[513] According to the Government of Alberta, this first stage is also deemed to be the level at which citizens can assess the results of the government's overall performance.

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[511] Alberta Finance, Government of Alberta. *Government of Alberta Strategic Business Plan* (22 March 2006), p. 4. Accessed 14 May 2006: http://www.finance.gov.ab.ca/publications/budget/budget2006/govbp.pdf.

The second tier of performance assessment consists of key ministry measures. Alberta Finance notes "each ministry has selected several key measures to provide Albertans with an overview of the ministry's performance for its core businesses. These measures focus on the outputs and outcomes of ministry policies and programs, and provide background information which feeds into the core government measures."[514] Finally, the last original tier of performance assessment is the development and implementation of internal management measures that have recently become part of departmental operational plans. These types of measures assess the performance of internal programs and services and are typically developed to provide supporting data for higher level measures such as the core or ministry measures.[515] For example, whereas a key ministry measure would measure client satisfaction of certain programs, an internal management measure would measure how many files were processed or how often briefs were handed in on time to the Deputy Minister or Minister.

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[512] Alberta Finance, Government of Alberta. *Government of Alberta Strategic Business Plan* (22 March 2006), p. 4. Accessed 14 May 2006: http://www.finance.gov.ab.ca/publications/budget/budget2006/govbp.pdf.

[513] Ibid.

[514] Alberta Finance, Government of Alberta. *Measuring Performance: A Reference Guide, Part 3* (Alberta Finance, September 1996). Accessed 12 February 2004: http://www.finance.gov.ab.ca/publications/measuring/measupgu/guide3.html.

Other layers of measurement have been added since the framework was established. Firstly, there is now a performance management framework that assesses individual employees to provide a more integrated and complete assessment of performance in the Government of Alberta. Each employee is required to develop a performance plan that identifies and establishes measures for desired outcomes usually on an annual basis to ensure that the individual plans complement and support the department's operational and business plans.[516] The Alberta Personnel Office describes how the individual plans are integrated with the rest of the governmental plans and measures:

> Department business plan goals link to the government business plan and cross-government priorities; performance goals and measures grow out of a department's business plan; employee performance measures align with those of the organization; and departments, teams and individuals are rewarded and recognized on the basis of these measures.[517]

Interestingly, the Government of Alberta also established a performance pay system to "recognize an employee's individual contributions to the achievement of Government,

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[515] Ibid.

[516] Personnel Administration Office, Government of Alberta, "Performance Management in Alberta Public Service," August 2006. Accessed 03 September 2006: http://www.pao.gov.ab.ca/index.cfm?file=performance/perfmgmt/performance-management

[517] Personnel Administration Office, Government of Alberta, "Performance Management in Alberta Public Service," August 2006. Accessed 03 September 2006: http://www.pao.gov.ab.ca/index.cfm?file=performance/perfmgmt/performance-management

Ministry and individual/team goals."[518] This aspect of the performance management framework will be further discussed in this chapter at a later point.

Another significant change is that the Government of Alberta has added another high-level layer to the planning process and now a strategic plan is developed by government members to provide guidance for the rest of the plans.[519] The strategic plan is intended to project what the Government of Alberta, with input from Albertans, wants in the year 2025. As outlined in the plan, the four pillars of the plan are: unleashing innovation; leading in learning; competing in a global marketplace, and making Alberta the best place to live, work and visit.[520] The strategic plan is to act as a guide for the rest of the plans (business, operational, and individual) and Alberta Finance states that this level of integration "ensures that all of government is "pulling together" and that all strategies are linked to Alberta's vision and 20-year strategic plan (see Diagram 2: Alignment of Plans).

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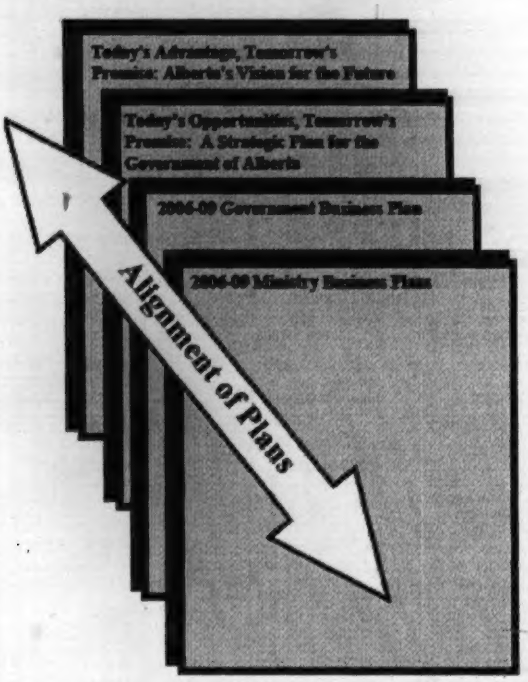
[518] Personnel Administration Office, Government of Alberta, "Achievement Bonus for Management and Opted Out and Excluded Employees," Accessed 12 October 2006: http://www.pao.gov.ab.ca/?file=directives/pay/achieve-bonus-for-mgmt-ooe-ee&cf=&notoc.

[519] Government of Alberta, *Strategic Business Plan 2004* (24 March 2004). Accessed 27 March 2004: http://www.finance.gov.ab.ca/publications/budget/budget2004/govbp.html.

[520] Ibid.

Diagram 2: Alignment of Plans


Today's Advantage, Tomorrow's Promise: Alberta's Vision for the Future
Today's Opportunities, Tomorrow's Promise: A Strategic Plan for the Government of Alberta
2006-09 Government Business Plan
2006-09 Ministry Business Plans
Alignment of Plans

While important as a guide, the strategic plan does not have any performance measures; instead the task of performance measurement and reporting remains within the 3-year business plans, annual reports, operational plans, and individual performance plans.[521]

Finally, the other layer of planning that was recently introduced and is in the midst of being developed at the government-wide level is operational planning. This level of planning is situated between business planning at the ministry level and performance management planning at the individual level. While there is not a formal public definition of operational planning in the Government of Alberta, this level of planning and measurement tends to focus on what is taking place in divisions, branches, and program areas in each of the ministries. For example, in Alberta Environment, the

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[521] Ibid.

Water Management Operations Division developed an operational plan in 2005-06 that included information on how the division plans to implement the human resources' strategy, how it plans to improve workplace safety, how it intends to address training and learning needs within the division, and how it plans to support cross-government initiatives and ministry priorities through policy development and implementation. In their operational plan, there are no performance measures but there is a section that states they are under development.[522] Again, this is a relatively new level of planning the Government of Alberta has adopted and ministries, in most cases, are still developing their operational plans. Indeed, this was one of the few operational plans available on the Government of Alberta website.

5.3.4 Coordination of Performance Measurement

When the Klein government came to power, Alberta Finance (formerly Treasury) was given the responsibility for the coordination and oversight of performance measures in the government. According to an executive civil servant, given that the primary mandate of the Klein government, when his government came to power in 1993, was to address the rising deficit and debt, "it was to be expected that the hub of performance measurement would be situated in the department that was responsible for the budget."[523] The interviewee further noted that Treasury was given this role because they had some experience in developing financial measures and targets and moreover, had the statistical skills that some departments lacked at that point in time.[524] Currently, Finance continues to coordinate the government's business plan and performance measures but each of the departments is responsible for developing, implementing, and monitoring its own set of performance measures. For every department, there is at least one person responsible for the coordination of the Ministry's Business Plan. Depending on the size of the Ministry, this individual may or may not be also responsible for the coordination of performance measures. The coordination of performance measures within a ministry may be further devolved to the various divisions, branches, and units depending on the size of the ministry and the skills available.

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[522] Government of Alberta, Alberta Environment. "Regional Services Operational Planning 2005/06: Water Management Operations," Retrieved 02 January 2007: http://www3.gov.ab.ca/env/water/wmo/pubs/OperationPlan.pdf.

[523] Interview participant, Executive Civil Servant. Edmonton, Alberta, August 1999.

Alberta Finance also provides some level of oversight to ensure that there are some performance measures from each ministry that relate to one of the government-wide goals. Further, numerous documents are provided on the external website to assist departments in developing performance measures and to help them understand the need for performance measurement.[525] Finance also provides assistance to departments on performance measurement methodology and, in an informal manner, reviews performance measures to assist departments in improving their existing measures. Given that performance measurement is still a relatively new area for departments to undertake, according to the vast majority of executive and senior civil servant interviewees, Finance has been and continues to be a critical source of support and guidance for departments.[526] In addition to Alberta Finance providing information to other civil servants, their website also provides information to citizens on performance measurement and overall government performance and includes such documents as the Measuring Up report and the Government Business Plan.

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[524] Interview participant, Executive Civil Servant. Edmonton, Alberta, August 1999.

[525] For further information, see Alberta Finance, Government of Alberta. "About Measuring Up." Accessed 28 March 2004: http://www.finance.gov.ab.ca/measuring/index.html.

[526] Interview participants, Executive and Civil Servants. Edmonton, Alberta, July/August 1999.

Although Finance is the key department for providing information on performance measurement, the Personnel Administration Office, another central agency, also provides performance information on their website. For example, the Office states:

> Performance indicators and measures should: be driven by client/customer requirements and business plans; be tied to critical success factors; facilitate measurement of results achieved and progress made in the implementation of business plans; direct effort toward desired results; be few and critical to the organization's success; consider financial, operational and client/customer measurements; [and] allow for assignment of responsibility and accountability for monitoring, reporting and their achievement be observable and verifiable.[527]

The Personnel Administration Office indeed disseminates general information about government and provides education opportunities to the rest of the public service concerning planning and performance measurement.[528] The Personnel Administration Office is also the entity that coordinates the performance management system (individual performance plans and performance pay) in the government.[529]

Overall, in this section, it has been shown that a comprehensive and integrated structure and process was established to measure and report on the government's performance. The development of a government-wide performance measurement framework reflected the influence of NPM principles such as transparency, accountability, and results-based performance. It also demonstrated the influence of public choice theory and certain strands of NPM that argued there was a need to establish mechanisms to direct and control the behavior of civil servants. Measuring the performance of civil servants is a process that provides targets for civil servants to pursue and financial incentives to influence behavior to support the goals and targets of government. It is a method that outlines what is most important to government and is a framework to ensure civil servants measure what is important to the politicians. In the following section, a more critical analysis will take place that discusses how the performance measurement framework influences the Government of Alberta's goal to improve accountability and consequently, how accountability is interpreted and applied.

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[527] Personnel Administration Office, Government of Alberta, *Measuring Performance in Government: A Discussion Paper* (April 01 2003). Accessed 12 January 2003: http://www.pao.gov.ab.ca/performance/measure/measure-perf-in-govt.htm.

[528] As noted on their website, the office "is the central human resources arm of government, helping ministries respond to emerging human resource issues and ensuring public service has skilled employees ready for the challenges of the future. PAO provides corporate human resource strategies, policy frameworks and strategic support services, enabling departments to fulfill their business plans." Personnel Administration Office, Government of Alberta, "Departmental Overview" (2002-11-25). Accessed 11 November 2003: http://www.pao.gov.ab.ca/aboutpao/overview/index.html.

5.4 Performance Measurement in the Government of Alberta: Interview Results

In this section of the chapter, the results of interviews will be discussed as they relate to performance measurement and reporting and will outline the technical and political challenges of performance measurement faced by the Government of Alberta. In this sense, the challenges of defining and interpreting performance have implications for understanding the application of the accountability framework in the Government of Alberta. Hence, further elaboration on the relationship between performance measurement, accountability, and control in the context of traditional public administration, new public management, and public choice theory will take place at the end of the chapter.

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[529] The Government of Alberta uses the concept 'performance management' to describe individual performance assessment within the Alberta public service. For further information, see Personnel Administration Office, Government of Alberta, "Performance Management in the Government of Alberta." Accessed 03 March 2004: http://www.pao.gov.ab.ca/performance/perfmgmt/index.html.

5.4.1 Technical and Political Challenges: Starting from Scratch

One of the most common challenges stated by the vast majority of civil servant interviewees was that there were many changes taking place in Klein's first term in office and that it was difficult to address each issue the new government wanted because of time and resource constraints. Government members made it clear they wanted the changes to planning, accountability, fiscal management, service delivery, and performance measurement made in a quick manner.[530] Indeed, numerous government members stated that one of the lessons they learned from Sir Roger Douglas' visit to Alberta in 1993 and his book[531] was that it was important to implement change quickly rather than in an incremental manner so that progress was actually made on important issues.[532] Yet in the midst of these changes taking place, departmental expenditures were being reduced and civil servants were being encouraged to take early retirement and severance packages to reduce the number of civil servants and the size of the overall budget. Hence, as NPM encouraged civil servants to 'do more with less,'[533] the challenge was to meet the goals of government in setting up plans and identifying appropriate measures when so many other changes were taking place in government.

Related, another challenge that the majority of civil servants mentioned was the challenge of developing a performance measurement framework from ex nihilo. Where other jurisdictions conducted extensive research before implementing their performance measurement systems,[534] Alberta developed its framework with little background research done mostly because there were hardly any other government jurisdictions that had developed a government-wide performance measurement framework at the time. Indeed, all of the civil servants directly involved in developing their department's plans and measures stated that they found it difficult to find public sector best practices or benchmarks related to performance measurement in other jurisdictions because although some jurisdictions had begun to develop a government-wide performance measurement system, there were few jurisdictions that had developed any structure similar to what the Government of Alberta proposed to develop. Most of the civil servants did state that they looked to governments such as Oregon, Minnesota, and Florida for guidance and ideas.[535] These civil servants also stated that they also looked to see how the private sector had developed their planning and performance measurement frameworks to determine what could be applied to a government setting.[536]

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[530] Interview participants, Government Members. Edmonton, Alberta. July/August 1999.

[531] Roger Douglas, *Unfinished Business* (Auckland: Random House, 1993). Sir Roger Douglas was Finance Minister in New Zealand's Labor Government from 1984 to 1988. Sir Roger was responsible for one of the most comprehensive restructuring program ever attempted by a government and included cutting income tax rates in half, deregulating wide sectors of the New Zealand economy, ending farm and business subsidies, and restructuring and privatizing most state owned enterprises.

[532] Interview participants, Government Members. Edmonton/Calgary, Alberta. June/July/August 1999.

[533] Joaquim Filipe Ferraz Esteves De Araújo, "Improving Public Service Delivery: The Crossroads Between NPM and Traditional Bureaucracy," *Public Administration*, Vol. 79:4 (Winter 2001), p. 915.

Because the Government of Alberta was one of the first jurisdictions in the world to develop a government-wide performance measurement framework, civil servants had little expertise and experience concerning the development, monitoring, and reporting of performance measures. According to the majority of senior and executive civil servants, one of the biggest challenges was determining what measures to use and finding the data to support the proposed measures.[537] For example, one of the senior public servants commented on the initial problems related to methodology he experienced in his department:

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[534] Julian Nowicki, Deputy Minister, Executive Council, "The Practical Realities of Performance Measures Implementation in Government," Embracing the Future: Sustainability and Measuring for Success, A Conference on Performance Measures. Institute of Public Administration of Canada. Edmonton, Alberta (October 27-29, 2003), CD-rom.

[535] Interview participants, Executive/Senior Civil Servants. Edmonton, Alberta. June/July/August 2006. For further information, see: K. Ogata and R. Goodkey, "Redefining Government Performance," (1998), Accessed 15 November 2005: http://www.finance.gov.ab.ca/publications/measuring/cambridge_paper.html.

[536] Interview participants, Executive/Senior Civil Servants. Edmonton, Alberta. June/July/August 2006.

> We were one of the first governments to do this…Our data in some cases is not good as we are using a lot of proxies. We have never seen a need to collect that data because there has never been a purpose in collecting it…The idea of population, who ever cared about the population in your region, until suddenly you got funded on your population - now people pay attention to population...As we have gotten better with measures, expectations, and accountability, we have gotten better with some of those other skills, but we are still learning.[538]

The majority of civil servants who were responsible for performance measurement in their department stated that in the first couple of years of the business planning process, business plans were often incomplete because there was a lack of data to develop a performance measure or target.[539] If information was not being collected to support a measure, then the measure's target may be deemed to be 'under development' or according to most of the civil servants, the measure remained internal until proper methodology was created and implemented.[540] Whether or not the omission of information was perceived to be an accountability gap depended on the interview category. Not surprisingly, the vast majority of civil servants and government members argued the 'under development' statement meant that the methodology was being tested to ensure the future measures or targets were methodologically sound. On the other hand, all of the media and opposition member interviewees argued that the targets and measures should have been included in the plans and as stated by one opposition member, "the lack of information about targets may have been deliberate at times so that government would not have to report any negative results."[541]

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[537] Interview participants, Executive/Senior Civil Servants. Edmonton, Alberta. June/July/August 2006.
[538] Interview participant, Senior Civil Servant. Edmonton, Alberta. June 1999.
[539] Interview participants, Senior Civil Servants. Edmonton, Alberta. July/August 1999.

Almost all of the senior and executive civil servant interviewees also stated that another challenging aspect of performance measurement was choosing which performance measures to report on in the business plan. In each ministry business plan, there are approximately 12-18 performance measures designed to represent the key areas and lines of business in each department. A senior civil servant stated that it was "typical for a department to choose between two or three measures in a program area and then determine which measure is one that they know they do really well at and then choose that measure for inclusion in the business plan."[542] In other words, as most senior civil servants noted, performance measures that fluctuate or are deemed risky because of their unstable targets may not be included because of the need to demonstrate positive performance.[543] In determining what measures to include, one senior civil servant expressed his concerns:

> What are the right things to measure? If somebody could somehow wave the magic wand and tell a department, branch, or division in government or the government as a whole, these are the ten things you should be measuring…that this is the right thing to measure, you could probably make a million dollars. I'm still not sure that we are measuring the right things but we are getting there. Anyone who thinks this can be done overnight is living in a dream world, because we have been at this for 4-5 years and we are just now getting to the point where we are measuring the right things.[544]

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[540] For example, in the Department of Education 2006-09 Business Plan, there are several performance measures under development. See: http://www.finance.gov.ab.ca/publications/budget/budget2006/educ.html#10 (Accessed 12 November 2006).

[541] Interview participant, Opposition Member. Edmonton, Alberta. July 1999.

[542] Interview participant. Senior Civil Servant. Edmonton, Alberta. July 1999.

[543] Interview participants. Senior Civil Servants. Edmonton, Alberta. July/August 1999.

[544] Interview participant. Senior Civil Servant. Edmonton, Alberta. June 1999.

Paul Thomas, in his recent paper on performance measurement, found that "the practice of reporting on only a few indicators exposes governments to the disease "aggregationitis," a condition in which a great deal of relevant information goes missing through the process of aggregation."[545] Thomas also relays his concern that governments may only be measuring what is measurable rather than what is truly important. For example, he argues that, "quantity is usually easier to measure than quality, but without quality considerations outcomes measures will be distorted."[546]

Related to choosing appropriate measures, an additional challenge for civil servants was determining what type of measures they thought the public would be able to understand and care about. The majority of government members and civil servants stated that they thought it was important that the business plans be written in a manner so that the public would be able to use the business plans to judge the government's performance. For example, one civil servant noted that performance measures, "should mean something to the public and it should be something they can understand."[547] Furthermore, one of the key persons behind the development of the performance management framework stated that it "was important to develop and report on measures that the public really want to know about." He further stated his test for a performance measure that was to be included in a business plan was, "do the stakeholder groups, legislators, and media find these things useful for public understanding and are they part of the grand scheme of things to make the world better?"[548] The issue here though is that the goal of 'making the world better' is subjective and dependent on what the current government believes is important to relay to the public and is also dependent on the current government's ideology and values. In other words, choosing which measures to report to the public is not an objective task given that performance measures typically represent what the government believes is important to communicate. In this sense, the government controls what performance measures and targets get included in the business plan and in essence, the government has power over the public in what the government should be held accountable for.

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[545] Paul Thomas, *Performance Measurement, Reporting and Accountability: Recent Trends and Future Directions*, p. 29.
[546] Ibid.
[547] Interview participant. Executive Civil Servant. Edmonton, Alberta. July 1999.

5.4.2 Technical and Political Challenges – Attribution and Societal Indicators

According to the interview results, yet another challenging aspect of performance measurement in a public sector environment that relates to accountability and answerability is attribution. Attribution can be described to the extent a program or service contributes to influencing a performance measure. Most of the senior civil servants, especially those directly involved in developing plans and measures for their department, commented that finding measures for which their respective department can take credit for or directly influence was challenging in many cases.[549] For example, one of the senior civil servants noted that "If your indicators are so broad and so global that you have no idea what, if any influence, you have on them, then it may be interesting information but it is not performance measurement."[550] On the other hand, the civil servant further argued, "if a government sticks with what it can directly control, then the

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[548] Ibid.
[549] Interview participants, Senior Civil Servants. Edmonton, Alberta. July/August 1999.
[550] Interview participant, Senior Civil Servant. Edmonton, Alberta. August 1999.

government may not be measuring the right thing."[551] The interview participant responded to this conundrum by stating, "It's a matter of balance."[552]

When asked to elaborate or provide examples of performance measures that are difficult to report on because of attribution, several civil servants gave the example of the number of teenagers who get pregnant on an annual basis. One of the civil servants stated "it was essential that this be considered an important societal indicator for the Government of Alberta. At the same time, it was also important that each level of government, and possibly other organizations, identify their level of responsibility towards that indicator."[553] Further, another civil servant argued that "one specific government should not be politically punished if an indicator of this nature produces negative results; instead, a dialogue should exist between the responsible organizations to determine the change in results and to focus on solutions, and not finger-pointing."[554] To address the challenges concerning attribution, one of the government members expressed the need to work with other levels of government, especially the federal level, to discuss the responsibilities of each level of government regarding performance measures that cross jurisdictional boundaries.[555] Not surprising, determining attribution has implications for accountability. If a performance target is not met where attribution is shared, it then becomes politically strategic for a government to blame another government for not doing their part in meeting the target instead of taking the blame themselves. In this sense, an accountability gap can arise when no government wants to take the blame for a target not being met. In other words, answerability, being the primary component of the Government of Alberta's definition of accountability, can be weakened because of the multiple actors who contribute to meeting the performance targets. If there is agreement to what each jurisdiction is responsible for in meeting the target, it then becomes easier for governments to know the extent to which they are answerable.

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[551] Interview participant, Senior Civil Servant. Edmonton, Alberta. August 1999.
[552] Ibid.
[553] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.
[554] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.

Another challenge to performance measurement, as several civil servants noted during the interview process, is that some of the broad societal performance measures the government uses does not fit well within the current electoral system. For example, some performance indicators, such as family violence, impaired driving, and health of a population generally takes a longer time to realize the influence of government policy and programs than other policies and programs.[556] In other words, a government is likely to report on short-term performance indicators rather than long-term indicators because they demonstrate a government's performance within the electoral timeframe. For example, one of the civil servants stated that at the beginning of the Klein mandate, "Fiscally, it was easy to have a quick outcome, but measuring the social influence of government is going to take some time."[557] Indeed, for many wicked policy problems the government has to address, it is difficult finding solutions that can make an immediate influence since the problems a government has to deal with are often multi-jurisdictional, the cause of the problem is neither obvious nor agreed upon, and the future is risky or unpredictable thereby developing a solution becomes challenging.[558] Hence, these challenges make it difficult to develop a performance measure or target for many of the

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[555] Interview participant, Government Member. Edmonton, Alberta. July 1999.
[556] Interview participants, Senior Civil Servants. Edmonton, Alberta. July/August 1999.
[557] Interview participant, Senior Civil Servant. Edmonton, Alberta. August 1999.

important policy issues a government attempts to influence as well as reporting on changes within the electoral timeframe. Again, this relates back to the concern that government will measure what it can and perhaps not what should be measured.

5.4.3 Technical and Political Challenges – Choosing Targets

Finally, the vast majority of civil servants and government members stated that they faced challenges concerning the development of appropriate targets for each performance measure. Performance targets are typically defined as the "specific and intended result to be achieved within an explicit timeframe and against which actual results are compared and assessed."[559] Noting the political environment to which measures and targets are being developed in, one of the civil servants stated that there was a "fine art to choosing the target."[560] For example, as another senior civil servant stated, "if a department was consistently meeting the stated targets, it was important to raise the bar or you would risk being viewed as not being a risk-taking department."[561] In the Government of Alberta, where new public management principles reigned supreme amongst the newly elected Klein government, not being risky, flexible, or creative, within certain parameters of course, was perceived to be a negative approach to management and operations. Indeed, as one senior civil servant stated, if "the targets were constantly being met, then the relevant Standing Policy Committee would likely state that the department is not setting high enough expectations for their performance."[562]

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[558] Horst W.J. Rittel and M.M. Weber, 1973. "Dilemmas in a General Theory of Planning," *Policy Sciences*, 4: 155-169.

[559] USAID, "Glossary of Terms." Accessed 15 March 2004: http://www.usaid.gov/pubs/cbj2002/glossary.html.

[560] Interview participant, Senior Civil Servant. Edmonton, Alberta. August 1999.

[561] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.

[562] Interview participant, Senior Civil Servant. Edmonton, Alberta. July 1999.

Instead of developing targets where a department knew they always would achieve them, another way was to develop stretch targets. Stretch targets can be defined as a performance target that is a slight percentage above the current target and that the organization can reasonably achieve over a certain amount of time. As noted by most of the civil servants, stretch targets became a common feature in departmental business plans. For example, a senior civil servant stated that in his department, "we didn't achieve our targets in one or two areas but we set our goals high, because you have to work harder to get to that goal, rather than to set your benchmarks or goals at a low level and then achieve them every year.[563] At the same time though, as noted by another senior civil servant, it was important "to not do 'pie in the sky' either."[564] In other words, if a department never met their performance targets, the relevant Standing Policy Committee, the media, and the opposition parties would all likely comment on the need to improve performance or state that perhaps the target was set unrealistically high.

The vast majority of the civil servant interviewees noted that performance targets sparked the most debate within the internal business plan discussions. Further, the interview participants who were government members and media all stated that the performance targets seemed to get the most attention in the press, legislature, and in committees compared to other parts of the business plan. As McDavid and Hawthorn argue, developing and reporting on performance targets in a political environment can be contentious.[565] For example, as will be discussed later, given that management salaries and bonuses are linked to achieving the organizational performance targets in the

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[563] Interview participant, Senior Civil Servant. Edmonton, Alberta. August 1999.
[564] Ibid.
[565] James McDavid and Laura Hawthorn, *Program Evaluation and Performance Measurement: An Introduction to Practice* (Thousand Oaks, Calf.: Sage Publications, 2006), p. 327.

Government of Alberta, the authors argue there will likely be internal pressure to make sure the targets are achievable. Moreover, McDavid and Hawthorn argue that, "if reporting targets and achievements are part of an adversarial political culture, there will again be pressure to make targets conservative."[566] While the political culture may not be as adversarial in Alberta as in other provinces, the Klein government tended to punish and chastise those who publicly criticized the government[567] and no doubt, government members or civil servants would have been hesitant to publish any targets that were politically controversial (e.g. client satisfaction ratings that were consistently not being met).

5.4.4 Feedback from the Alberta Auditor General

To provide information on the primary oversight body, the Alberta Auditor General's reports were briefly analyzed as related to performance measurement and a representative from the Office was also interviewed. It is first of all important to note that the role of the Alberta Auditor General has changed significantly since the development of business plans and performance measures. Traditionally, the role of this Office has been to assess financial statements and not comment on management or operational functions.[568] In the early and mid 1990s, the Auditor's Office had to adjust its traditional auditing and reporting practices to reflect the new planning and measuring tools the Government of Alberta introduced. It was not until 1997 that the Auditor General conducted a specific audit on each of the ministry's performance measures and he chose to wait until 1997 so "to allow both the reporting and auditing of performance measures to develop [and]...it was important for a set of common standards to be developed."[569] Indeed, in the early to mid 1990s, the Auditor General's office was working with other jurisdictions and the Canadian Institute of Chartered Accountants to develop standards on performance measurement reporting since this was a new line of business for the Auditor General to pursue.[570]

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[566] Ibid.

[567] Mark Lisac, *Alberta Politics Uncovered: Taking Back Our Province* (Edmonton, NeWest Press, 2004), pp. 58-72.

[568] For further information on the changing role of the Auditor General, see: Denis Saint-Martin, "The Janus-faced Office of the Auditor General" *Canadian Public Administration*, Vol. 47:2 (Summer 2004), pp. 121-140; Otto Brodtrick, "How does an auditor general's office see itself?" *Canadian Public Administration*, Vol. 47:2 (Summer 2004), pp. 225-242.

The official comments from the Auditor General concerning performance measurement and reporting have been consistent throughout the last decade and are similar to the concerns many of the civil servant interviewees identified. One of the major themes since performance measures and business plans were developed is the concern about the quality and quantity of performance measures in arms-length agencies, boards, and commissions. For example, in the 1996-97 Annual Report of the Auditor General, the Auditor noted that it was important for government and its boards and agencies to improve their performance measurement cycle. In other words, it was important for these bodies to identify the performance expectations of their stakeholders, management, and the government members. The Auditor argued: "I believe there is a need for greater focus on setting performance expectations. The discipline of setting expectations identifies needed information, which in turn clarifies management information systems development, and thereby the means to improving performance."[571] Although performance measurement in arms-length agencies was not an area of focus in this dissertation, several civil servants and government members did acknowledge that it was important for all government agencies or government-related organizations (e.g. universities, school boards, regional health authorities) to develop performance measures to complement and support the relevant department's plan.[572] As one government member stated, "it was important that the accountability chain reach out not only to departments but to all of those agencies that the minister is also responsible for reporting on."[573]

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[569] Alberta Auditor General, *Annual Report of the Auditor General 1995-96*. Accessed 02 April 2004: http://www.oag.ab.ca/, p. 20.

[570] Interview participant, Executive Civil Servant. Edmonton, Alberta. August 1999.

[571] Ibid., p. 11.

Similar to the concerns raised by the majority of civil servant and government member interviewees, another theme throughout the Auditor General's annual reports was the struggle departments had in establishing effective performance targets. Between 1995-2000, there are numerous examples in the annual reports where the Auditor General comments on the lack of targets in the ministry business plans. Indeed, in many of the Government of Alberta's early business plans, there were numerous targets missing and as noted in business plans, the justification was that they were 'under development.' Concerned about this lack of information, in the 1995-96 Annual Report of the Auditor General, the Auditor noted that:

> …people devote disproportionate effort to the mechanics of reporting on performance and neglect the key prerequisite—establishing the target. Without clearly articulated, measurable and understood performance expectations, there is unlikely to be sustainable improvement in programs and services.[574]

For example, specific to Alberta Agriculture, Food and Rural Development, the Auditor General comments on both the lack of a performance target and the inappropriateness of those in place:

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[572] Interview participants, Government Members and Senior/Executive Civil Servants. Edmonton, Alberta. July/August 1999.

[573] Interview participant, Government Member. Edmonton, Alberta. July 1999.

[574] Auditor General of Alberta, *Annual Report of the Auditor General 1995-96*, Accessed 02 April 2004: http://www.oag.ab.ca/.

> The criteria being used to measure the performance and influence of the Farm Income Disaster Program (FIDP) are adaptations of previously developed performance measurement criteria for safety net programs. In some cases, however, these criteria are not stated in measurable terms or targets. For example, one such criterion is the increased use by farmers of risk-management tools such as contracting and hedging. Yet there is no defined way of computing such an increase, nor a target for what would be considered a satisfactory increase. Another performance criterion for FIDP is the decrease in the number of farmers whose income levels fall below the 70% reference level. Here again, there is no target for what will be considered a satisfactory decrease.[575]

Further, the Auditor General was also concerned about one of the targets in the Department of Advanced Education and Career Development business plan:

> The Department is in the process of establishing outcome and output targets as certain baseline information is gathered. The only measures used to compensate Career Designs Inc., and presumably to determine the success of the Program, were the number of program graduates and employment placements. Perhaps incremental improvements, such as increases in the employability of clients, could be assessed and tracked. As well, the costs of achieving these outcomes should be determined and reported.[576]

One of the reasons given on why the Department has not established output and outcome targets is that there are different partners involved in this Program, and there is not a consistent view between the partners of the criteria for success.[577] This exemplifies the challenge of holding a government to account if there are disagreements to what the target should be and what qualifies as criteria for success, especially when there are multiple variables or actors influencing the target.

Another issue the Auditor General has commented on is the need to find a balance between accountable performance measurement and administrative burden. For example, in the 1996-97 Annual Report, specific to Alberta Economic Development, the Auditor General states in relation to the Alberta Tourism Partnership Corporation (ATPC):

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[575] Auditor General of Alberta, *Annual Report of the Auditor General 1996-97*. Department of Agriculture, Food and Rural Development, Accessed 02 April 2004: http://www.oag.ab.ca/.

[576] Ibid., Auditor General of Alberta, *Annual Report of the Auditor General 1996-97*. "Department of Advanced Education and Career Development."

> Fewer performance clauses would reduce the administrative burden on both the Department and ATPC. For instance, presently the monthly status reports prepared by the Department contain 30 performance measures or Agreement deliverables. The administrative and clerical effort required to produce these reports is considerable. Performance measures should be limited to those that are key to program management, and for measuring success.[578]

Indeed, as noted earlier, most of the civil servants during their interviews also commented on the resource challenges of developing a "ministry performance measurement framework that included baselines, measures, methodologies, data, and targets and the need to build the skills necessary to produce a robust framework within a short period of time."[579] McDavid and Hawthorn also found in their research that identifying and implementing performance measures is time-consuming and "takes ongoing commitments of resources, including the time of persons in the organization"[580] to sustain a performance measurement system. Indeed, as one executive civil servant noted, "in building an accountability framework, there should be recognition that in developing more controls, rules, guidelines, and procedures, this then takes time away from actually delivering the programs and services."[581]

It is important to note that while the Alberta Auditor General has had numerous concerns about the way performance measures and targets are established and

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[577] Interestingly, performance measures relating to Career Designs Inc. are not in the latest Advanced Education business plan nor in the Human Resources and Employment business plan. Accessed 02 November 2006: http://www.finance.gov.ab.ca/publications/measuring/minbus.html.

[578] Ibid., Auditor General of Alberta, *Annual Report of the Auditor General 1996-97*. "Department of Economic Development."

[579] Interview participant, Senior Civil Servant. Edmonton, Alberta. August 1999.

implemented, the Auditor has also made it clear that it recognizes the challenges of establishing a government-wide performance measurement system.[582] In this case, while the Auditor General has criticized certain aspects of the performance measurement framework, the Auditor General has also praised the Government of Alberta and its efforts. For example, in his 1997-98 Annual Report, the Auditor General stated, "Albertans now have the most informative set of public accounts in Canada."[583] The Office further notes that "This is a significant achievement, and it represents the culmination of many years of effort by many public servants. Those responsible for this achievement should be commended for their efforts and the results of their work."[584] Before moving on to the next section, it should be noted that further research needs to be conducted in the area of assessing the Auditor Generals' comments made about performance measurement and the departments' reactions to the suggestions and comments. Moreover, further research should be conducted on the potential conflicting role of the Auditor General's Office. For example, the Office not only conducts audits (reactive role) but also educates the government about performance measurement and reporting (proactive role).[585]

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[580] McDavid and Hawthorn, *Program Evaluation and Performance Measurement: An Introduction to Practice*, p. 315.
[581] Interview participant, Executive Civil Servant. Edmonton, Alberta. August 1999.
[582] Interview participant, Executive Civil Servant. Edmonton, Alberta. August 1999.
[583] Auditor General of Alberta, *Annual Report of the Auditor General 1997-98*. Accessed 03 April 2004: http://www.oag.ab.ca/.
[584] Ibid.
[585] For example, see the following reports: Client Satisfaction Surveys, Best Practices in Preparing an Integrated Results Analysis – Guidelines for Government Organizations, Government Accountability, and Improving Communication Between You and the Auditors (Tips for Ministries on Audits of Performance Measures). Accessed 13 November 2006: http://www.oag.ab.ca/ (the reading room).

5.4.5 Performance Reporting in a Political Environment

Amongst the technical challenges any government has to contend with in developing, implementing, and monitoring a performance measurement framework, there are also challenges to reporting on a government's performance in a political environment. Although producing mass communication messages to citizens in whatever form is challenging, it is deemed to be a necessary feature in a liberal democracy and increasingly, is seen to be a necessary feature of an accountable government. Dennis McQuail argues, "effective decision-making in a liberal democracy requires that citizens have access to all the information they need to evaluate the conduct of incumbent governments, to judge the merits of competing candidates for public office, and to assess the case for and against particular policy options."[586] The Government of Alberta's mass communication messages are partially relayed via the business plans, annual reports, and the *Measuring Up* reports – all of which contain reporting on the government's performance.

While the information provided in these documents is intended to communicate the goals, strategies, and measures of the Alberta government, the plans and reports may not tell the 'entire truth' given the political ramifications of negative performance. Paul Thomas argues, "poor reports can damage ministerial reputations and negatively affect the position and resources of departments and programs. In short, there are risks involved with the collection and the publication of performance information."[587] Moreover, the media, opposition parties, interest groups, think tanks, and citizens currently not in favour with the government in power may not be tolerant of negative results and may be looking for ways to criticize and usurp the power of the government.

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[586] Dennis McQuail, *Mass Communication Theory: An Introduction*. Second edition (NewBury Park, California: Sage, 1987), p. 116.
[587] Paul Thomas, "Performance Measurement, Reporting and Accountability: Recent Trends and Future Directions," p. 10.

Not surprisingly, in all of the interviews conducted with the media and the opposition parties, the overall theme was that the Government of Alberta only provided information that portrayed the government in a positive light. For example, one opposition party member stated that the business planning exercise "was much more a controlled public relations exercise to say to the public 'look at how we manage and aren't we wonderful?' than an opportunity for government to provide a balanced picture of their performance."[588] Overall, in the interviews with opposition members, they also stated that they questioned the performance measures selected to assess performance, the methodology used to assess performance, the number of performance targets not being met, and the number of measures and targets that get changed on an annual basis.[589] This more critical role is not surprising and can be expected from the opposition parties. Indeed, as Thomas argues, they "can usually be counted on to interpret mistakes and shortcomings in performance in the worst possible light"[590] and they also have a "stake in denigrating the performance and reputation of governments."[591]

While one would assume that the media would also comment on a government's inability to meet its specified targets, for the most part, the media interviewees stated they did not write about the government's performance measures and targets. Indeed, this indifference was because "it was felt that this type of information was too detailed for the average newspaper reader to understand."[592] Interestingly, in a Canadian study of the behavior of journalists, it was found that one of the reasons a story may be deemed to be newsworthy is because of its simplicity. For example, according to this study, "for an event to be newsworthy it must be simple, close to home, and relatively unambiguous in meaning."[593] All of the media interviewees stated that, for the most part, the government's performance measures and targets were too complex and detailed and that for newspaper readers to fully understand the performance information, it would require too much explanation.[594] In 1997-98, the Public Policy Forum hosted a series of three roundtable discussions to various methods to improve performance reporting in the federal government and the final report found that, "In reality, journalists viewed current performance reporting processes strictly as a management tool and as such indicated little interest in using performance reporting, since they are primarily concerned with issues which fall within the realm of governance."[595]

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[588] Interview participant, Opposition Member. Edmonton, Alberta. August 1999.

[589] Interview participants, Opposition Members. Edmonton, Alberta. July/August 1999.

[590] Paul Thomas, "Performance Measurement, Reporting and Accountability: Recent Trends and Future Directions," p. 10.

[591] Paul Thomas, "Performance Measurement, Reporting and Accountability: Recent Trends and Future Directions," p. 34.

Yet according to my own interview results, there were times when the media stated they did report on performance discrepancies. One media interviewee noted that the attention paid to government performance, however, "usually depended on how much the government missed a target and how controversial the measure or target was in the first place."[596] Similar to the role of opposition parties, the media's role in the political system is one that educates and informs citizens about their government, critiques the government's performance, and exposes any wrongdoings. With such roles, the media then cannot help but become one of the actors that influence the accountability relationship between citizens and the government because it defines accountability by framing what the government should be accountable for.

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[592] Interview participant, Media Member. Edmonton, Alberta. August 1999.

[593] The study was published in two separate volumes. See Richard V. Ericson, Patricia M. Baranek, and Janet B. Chan, *Visualizing Deviance: A Study of News Organizations* (Toronto: University of Toronto Press, 1987), and *Negotiating Control: A Study of News Sources* (Toronto: University of Toronto Press, 1989) as quoted in David Good, *The Politics of Public Management: The HRDC Audit of Grants and Contributions* (Toronto: University of Toronto Press, 2003), p. 63.

[594] Interview participants, Media Members. Edmonton, Alberta. July/August 1999.

[595] Public Policy Forum, "Performance Management: Linking Results to Public Debate," (1998), Retrieved on 12 January 2007: http://www.tbs-sct.gc.ca/rma/account/ppf-fpp_e.asp.

The lack of media attention and the tendency for the media to focus on the negative aspect rather than providing a balanced performance analysis may give citizens the perception there are different versions of the 'truth' and that the 'truth' is dependent on who is delivering the message (the government, the media, or the opposition parties). One of the effects of this contextual performance is skepticism. Thomas argues when, "members of the public derive their impressions of government performance from the kaleidoscopic images provided in the mass media, based on 'the horror stories,' which are featured so prominently, the public concludes that nothing works."[597] Citizens may be apt to then question the authenticity and accuracy of any government document if the perception is that 'government doesn't work' since it is difficult to figure out who is telling the truth. This tension between the media and government, as Thomas contends, is not a problem for which there is a "managerial solution," it is a "condition" of political life that would have to change for performance measurement to work in the idealistic way that is intended.[598] Hence, there is an inherent tension between the ideals of a performance measurement system in government and the political environment in which performance measurement is embedded.

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[596] Interview participant, Media Member. Edmonton, Alberta. August 1999.

[597] Paul Thomas, "Performance Measurement, Reporting and Accountability: Recent Trends and Future Directions," p. 10.

[598] Ibid., p. 34.

Accountability and answerability in this political environment is subjective and contextual since there is some concern from citizens, the media, and opposition parties about the legitimacy of the government reporting on its performance. If it is perceived that the Government of Alberta is only including measures and targets in its business plans that are easy to develop and measure and that are fairly uncontroversial, there may be skepticism about the partial and biased performance report given to the public. Mary Pat MacKinnon argues, in her article about the need to make government more accountable to citizens. In doing so, she argues transparency is vital and it is important "the public has easily accessible, understandable and meaningful information that makes clear what is being achieved for society with public funds and where the gaps are."[599] As noted earlier, the government members and some civil servants stated that business plans do indeed include targets that have not been achieved and that annual reports provide an explanation on why they were not achieved. Yet as demonstrated, there is still the perception that the government is manipulating the measures and targets, hence challenging the answerability component of accountability and demonstrating the political nature of the performance measures. Consequently, if citizens are skeptical of the government's answers on performance, the accountability relationship between government and citizens becomes jeopardized. It becomes jeopardized because there is an accountability gap between the formal definition of accountability and how it is actually applied and reported on.

Before moving on to discuss the performance relationship between civil servants and government, it needs to be stated that there were few instances where civil servants or government members gave examples of the government deliberately withholding information. In one of the few examples given, a civil servant stated that in his/her department, they measured client satisfaction but because the satisfaction ratings tended to fluctuate because of the tenuous, political, and contentious relationship between the state and this stakeholder group, this performance measure was not included in the business plans.[600] Not surprisingly, based on self-interest at the individual and institution level, there may have been some reluctance for the government members and civil servants to share any weaknesses about the performance measurement system with me for fear of negative exposure.

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[599] Mary Pat MacKinnon, "Restoring Citizen Trust – The Heart of Accountability," Canadian Policy Research Network Policy Brief, Number 5, (March 2006), p. 1.

5.4.5 Individual Performance Plans and Business Plans – Self Interest and Conflict of Interest

One of the primary changes made to the traditional relationship between civil servants and politicians was the establishment of performance contracts. In the past, civil servants were given raises, for the most part, based on the length of service and not based on how well they performed their jobs. Numerous changes took place in the past two decades that led many governments to develop a performance system where there was a "systematic attempt to incorporate performance objectives and indicators into human resource management and budgeting."[601] Kellough and Lu argue that the adoption of pay-for-performance (PFP) systems appears logically compelling since, "pay contingent on performance, as required in merit pay systems, rests on the evaluation of individual employee accomplishments and the distribution of financial rewards to those most productive."[602]

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[600] Interview participant, Senior Civil Servant. Edmonton, Alberta. August 1999.
[601] OECD, "Paying for Performance: Policies for Government Employees," Policy Brief (May 2005), p. 2. Retrieved 03 January 2006: http://www.oecd.org/dataoecd/13/51/34910926.pdf.

According to the OECD, the goals of establishing a systematic and formal performance contract in government are multi-faceted and include reasons such as motivating workers to higher levels of performance by linking performance to financial incentives, attracting and retaining employees, increasing governmental efficiency, reducing personnel costs, and improving communication inside government and the public sector.[603] Interestingly, the OECD found in their study on PFP programs in the public sector that there were also political reasons for introducing such programs. For example, OECD argues that in implementing a PFP program, "it refutes any idea that civil service employees are unaccountable and overpaid, by showing that their level of performance is monitored."[604]

In 1998, the Government of Alberta established a performance management framework. According to the government member interviewees, the primary goal of developing such a framework was to reward and recognize employees for the results they achieved.[605] Similar to the findings in the OECD study, most of the government members also stated that the pay for performance system was developed as a means to monitor and control the performance of civil servants and that they be financially rewarded for implementing the government's goals.[606] To ensure the government's goals and priorities are met on a continuous basis, the Government of Alberta designed the PM framework in the following manner:

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[602] J. Edward Kellough and Haoran Lu, "The Paradox of Merit Pay in the Public Sector: Persistence of a Problematic Procedure," *Review of Public Personnel Administration*, Vol. 13:45 (1993), p. 45.

[603] Ibid. For additional studies on the reasons for PFP, see: Robert L. McGuinty and John Hanke, "Compensation Management in Practice - Merit Pay Plans: Are They Truly Tied to Performance?," *Compensation and Benefits Review*, Vol. 21:5 (1989), p. 12; and Patricia Ingraham, "Of Pigs and Pokes and Policy Diffusion: Another Look at Pay-For-Performance," *Public Administration Review*, Vol. 53:4 (1993).

[604] Ibid.

[605] Interview respondents, Government Members. Edmonton/Calgary, Alberta. July/August 1999.

[606] Interview respondents, Government Members. Edmonton/Calgary, Alberta. July/August 1999.

> Department business plan goals link to the government business plan and cross-government priorities; performance goals and measures grow out of a department's business plan; employee performance measures align with those of the organization; and departments, teams and individuals are rewarded and recognized on the basis of these measures.[607]

To determine how successful departments and management are, the government developed four categories in which they were to be assessed. Each department and deputy minister was required to demonstrate how they contributed to achieving the government's fiscal goals and the government's business plan goals. Another requirement of the PM framework was the need for departments and Deputy Ministers to show how they collaborated with other departments and how they supported the government's cross-ministry policy and administrative initiatives.[608]

Upon first glance, the performance management framework is difficult to criticize as it provides an integrated and cascading approach to performance measurement. Yet the question that begs to be asked is to what degree will those responsible for developing an individual or departmental performance plan establish measures and targets that will not be reached within the fiscal and reporting year? Indeed, to be blunt, what is the incentive for staff to develop measures and targets that would prevent the management in the department from obtaining their full bonus? The Auditor General further comments on this conundrum:

> There may be an incentive for staff to set target levels conservatively to ensure achievement of the bonus. Conversely, the reviews need to consider that if the targets are unattainable,

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[607] Alberta Personnel Administration Office, Government of Alberta. "Performance Management in the Alberta Public Service." Accessed 05 April 2004: http://www.pao.gov.ab.ca/performance/.
[608] Ibid.

> the amount of positive encouragement derived from the targets may be dramatically reduced.[609]

Most of the senior civil servant interviewees who were involved to some degree in establishing targets and measures stated that their primary goal was to ensure that their Minister and the senior management were pleased with the department's overall performance and to develop measures and targets that demonstrated positive performance.[610] In justifying this approach, one of the senior civil servants stated "it would be embarrassing for the Deputy Minister and Minister if their department did not achieve the majority of their performance targets on a consistent basis."[611] Questions about their ability to manage and provide direction would be asked and this could have an influence on future career opportunities. Related, to take a public choice perspective, where political actors are deemed to act rationally when making decisions to maximize their utility, the development and maintenance of performance targets that will not likely be met would be an irrational act since that would negatively influence the amount of money their boss, colleagues and even oneself would get for a bonus.

5.5 Summary – Contextual Performance Measurement and Accountability

5.1 General Findings

As found in this chapter, measuring performance and publicly reporting on performance in a highly political environment is a complex task and there are many institutional barriers that can impede successful implementation. For example, Paul Thomas argues that one of the most "prevalent challenges is that it is simply naïve and unrealistic to expect public organizations to develop and present unbiased and complete accounts of their own performance."[612] Representing the concerns of the school of public choice, this institutional barrier is based on self-interest. The rationale is that civil servants and government members will not deliberately jeopardize their careers, reputations, and salaries and hence, they will develop and present a plan or performance report that is not controversial, not embarrassing for government, and not detrimental to any financial bonuses based on performance. In this sense, performance measures become more of a political communication tool rather than a means to actually improve decisions, policies, management, and the delivery of services and programs.[613] Indeed, Donald Kettl argues that "performance based management is most fundamentally about communications, not measurement."[614]

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[609] Auditor General of Alberta, Annual Report 1997-98. Executive Council: Section 2. Accessed 05 April 2004: http://www.oag.ab.ca/.

[610] Interview Participants, Senior Civil Servants. Edmonton, Alberta. July/August 1999.

[611] Interview Participant, Senior Civil Servant. Edmonton, Alberta. August 1999.

As Thomas further contends, other institutional obstacles to the development of a successful performance management framework include the nature and type of government goals (multiple, vague, shifting, and at times conflicting), the challenge of measuring outcomes and results rather than inputs and outputs, the investment of resources to build and sustain a performance measurement system, and the unwritten and written rules of behavior in a civil service environment (compliance with red tape, an insistence on no mistakes, the avoidance of blame).[615] In a different study on performance measurement, Age Johnson identified other problems including the lack of relevant statistics and data to support methodologically sound measures, low decision relevance, information overload, no ownership of performance, loyalty to professional norms rather than to management, inadequate implementation structures, and resistance to change and support performance measurement.[616]

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[612] Paul Thomas, *Performance Measurement, Reporting, and Accountability: Recent Trends and Future Directions*, p. 4.

[613] For additional information on the symbolic nature of performance measures, see: Theodore H. Poister and Gregory Streib, "Performance Measurement in Municipal Government: Assessing the State of the Practice," *Public Administration Review*, Vol. 59:4 (1999), pp. 325-335; Noel Hyndman and Ron Eden, "Rational management, performance targets and executive agencies: Views from agency chief executives in Northern Ireland," *Public Administration*, Vol. 79:3 (2001), pp. 579–598; and J.S. Wholey, "Performance-Based Management: Responding to the Challenges," *Public Productivity & Management Review*, Vol. 22 (1999), pp. 288-307.

[614] Donald Kettl, "Building Lasting Reform: Enduring Questions, Missing Reforms" in Donald Kettl and John Dilulio, eds. *Inside the Reinvention Machine: Appraising Government Reform* (Washington, D.C.: Brookings, 1995), p. 64.

[615] Paul Thomas, *Performance Measurement, Reporting, and Accountability: Recent Trends and Future Directions*, p. 4.

Despite these generic barriers to developing and maintaining an effective performance measurement system, as a part of the business planning process and the overall accountability framework, the Government of Alberta established a comprehensive, government-wide performance measurement framework. In developing such a framework, the Government of Alberta's goal intention was to provide citizens with information about the government's plans and performance to ideally enhance transparency, openness, and accountability. Related, according to Alberta Finance, another goal for the public performance reporting system was that it was to enhance citizens' understanding and support of the government's programs.[617] The rationale behind this goal was that "a government that reports its own performance to citizens, rather than totally relinquishing that task to the media, has far more control over the manner in which information is disclosed and greater opportunity to describe its response to particular problems."[618] Hence, instead of citizens relying on the media to interpret government documents and announcements, by providing information to citizens themselves via business plans and performance reports, the Government of Alberta would be assured that the message they want to convey is communicated in the manner they see fit instead of through the media's interpretive lens. So while there were the more altruistic objectives of performance measurement and public reporting, such as improving accountability, openness, and transparency, there was also the more manipulative goal to control and monitor the message that citizens received from government. In this sense, measuring performance in a political environment can also be viewed to be a public relations management strategy in that reporting is simply another way the government communicates its message and performance to citizens.

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[616] Age Johnson, "The politics of performance measurement: What does 25 years of experience tell us about the state of performance measurement in public management?" Paper presented for the Study Group on Productivity and Quality in the Public Sector of the European Group of Public Administration (EGPA) Conference, Ljubljana, Slovenia: (1-4 September, 2004), p. 7.

[617] Alberta Finance, Government of Alberta, Results-Oriented Government: A Guide to Strategic Planning and Performance Measurement in the Alberta Government (28 September 1998), p. 6.

In one sense, this control can be seen as simply the government wanting to relay their version of the truth; however, as discussed in this chapter, the 'truth' is a contested concept based on what position one holds in the political environment. Moreover, even though the government may be reporting information that indeed represents the actions and decisions of government, interviewees from the opposition parties and the media expressed concern that the performance information was not complete in the sense that it did not provide a balanced picture of the programs, services, and policies in government. In this case, even if the government was communicating 'facts' to citizens, the message was perceived to have been 'massaged and manipulated' by the government to avoid embarrassment or loss of popularity or power. Overall, according to opposition party members, the media, and a few civil servants, the accountability relationship between citizens and the government was not seen to be significantly altered or influenced by the establishment of a performance measurement and management framework. Indeed,

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[618] Ibid.

developing performance measures was perceived to be a procedure wrought with bias in a political environment.

On the other hand, it was perceived by government members and most of the civil servants that publicly reporting on the government's performance positively influenced the accountability relationship between citizens and government because there was more information available compared to previous governments. This interpretation of accountability supports the Government of Alberta's formal definition of accountability in that it indirectly focuses on answerability. Yet the provision of information seems to be a weaker form of accountability rather than answerability. Interestingly, according to the interviewees, there was no evidence to prove that citizens believed government to be more accountable because of the development of public performance measures and targets. I also asked if any surveys have been done to determine the readership of business plans and performance reports, and to the interviewees' knowledge, no surveys had been done. In this case, a cause-effect relationship is made between additional information and increased accountability even though there is no evidence to demonstrate how many people actually read the business plans and performance reports and moreover, believe the government has improved accountability because of such reports and plans.

While the issue of control of public information was a prominent theme in the interviews, as discussed in this chapter, another primary reason for the development of measures and targets was to strengthen the political control of civil servants. According to most of the government members and civil servants, control was believed to have been strengthened when the government developed a PFP system that tied civil servants' work performance to meeting the government's goals and objectives. Furthermore, there was a comprehensive performance measurement framework that established measures and targets for the government-wide strategic and business plans, departmental business plans, cross-government initiatives, operational plans, and individual performance management plans. Moreover, most of these measures and targets were made available to the public. To further monitor the performance of civil servants, a formal reporting system that required civil servants to explain why targets were not met was established. Influenced by the formal contract in the new public management paradigm, the accountability relationship between civil servants and government members became more controlled, formal, and answerable with the development of the comprehensive performance measurement framework.

Before moving on to the final chapter, it is important to mention the relationship between performance measurement and accountability. According to Guthrie and Broadbent, governments have made the assumption that simply because a performance measurement framework has been established, accountability therefore must have been improved. The authors argue that "little attempt has been made to explore reasons why increased accountability or improved management control processes will result, i.e. the advocates fail to present theoretical arguments to justify the claims that are made."[619] Specific to this dissertation, this assumption was also made in how the interview respondents viewed the influence of performance measures and targets on accountability. Only in the past several years have authors begun to question how successful governments have been in using performance measurement frameworks to improve accountability. Yet, as noted by Cunningham and Harris, studying this relationship is difficult because "a comprehensive theory does not yet exist to assess the effectiveness of performance reporting systems to achieve such accountability."[620] To further add to the challenge of studying the causal relationship between performance measurement and accountability, as discussed at the outset of this dissertation, there is no standard definition of accountability amongst governments or within the public administration discipline. Even though a government may define accountability, such as the Government of Alberta, it is still difficult to make generalizations about the cause-effect relationship because of the different ways other governments have defined accountability. Indeed, the literature examining the cause and effect relationship between accountability and performance measurement is still in its infancy stage. While this dissertation provides insight into the perceived goals of the performance measurement framework, additional research needs to take place to determine the cause and effect relationship between performance measures and targets and how they have influenced accountability, decision-making, individual performance and transparency.

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[619] J. Broadbent and J. Guthrie, ''Changes in the Public Sector: A Review of Recent 'Alternative' Accounting Research,'' *Accounting, Auditing and Accountability Journal*, Vol. 5:2 (1992), pp. 3–31.

In summary, the reasons for the development of a performance measurement framework are numerous in the Government of Alberta; however, based on the results of the interviews, it appears that the establishment of such a framework is primarily a response to external pressures from citizens and internal pressures from politicians to improve accountability, management, and performance. Consequently, as discussed in this chapter, the Government of Alberta moved away from focusing on inputs and outputs to reporting on whether or not the government reached the goals and targets as outlined in the business plans. In this sense, accountability was increasingly being interpreted in a results-based context and was focused on accounting for the performance of government within the business planning construct.

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[620] Gary Cunningham and Jean Harris, "Towards A Theory of Performance Reporting in Achieving Public Sector Accountability: A Field Study." European Accounting Association 23rd Annual Congress (March

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29-31, 2000), p. 3.

Chapter Six: Contextual Accountability in the Government of Alberta

6.0 General Overview and Structure

This dissertation examines how accountability has been interpreted and applied since the adoption of business plans by the Government of Alberta. In this final chapter, an overview of the major themes takes place focusing on the different accountability relationships, the political-administrative dichotomy, and contextual nature of accountability. Following this analysis, the chapter also assesses the relationship between the interview results and the theoretical paradigms discussed in this dissertation. Recognizing that the interviews occurred in 1999, a brief synopsis of changes the Government of Alberta has made to its business planning process also takes place in this final chapter. Finally the chapter concludes with comments on what further research should be done in the areas of planning, performance measurement, and accountability.

Typically the Klein revolution is most often affiliated with addressing the deficit and debt levels; however, several interview participants in this study argued that the real revolution was actually the development of a government-wide accountability framework.[621] When the Government of Alberta restructured its accountability framework in 1993, one of the principal components of the framework was the business planning process. The Government of Alberta was the first government in Canada to pass an Accountability Act that required the government and each department to develop a business plan that included goals, objectives, strategies, performance measures, and performance targets. Influenced by private sector principles and techniques, the Klein government implemented the business planning process in a very short time to address a number of issues. Primarily though, as discussed in this dissertation, business plans were developed with the intention to improve the accountability relationship between civil servants and government members and between the government and citizens.

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[621] Interview participants, Senior/Executive Civil Servants and Government Members, Edmonton, Alberta. June/July/August 1999.

In general, planning in government has had a turbulent history. After WWII, with the development of the welfare state, many governments around the world attempted to better control society and the economy through extensive planning. In the 1970s and 1980s, the support for government-wide planning waned with the increased influence of neo-liberalism on government policy and related, the perceived failure of the 'intrusive' and 'expensive' welfare state. Indeed, Christopher Pollitt found that both neo-liberals and neo-conservatives "poured scorn on those who still adhered to the belief that social problems would be solved by better government planning. More planning, they argued, always produced more bureaucrats, but seldom better results."[622]

Although the demise of the Keynesian welfare state is typically associated with the decreased support of government-wide planning, there were numerous other reasons why governments were skeptical about planning. For example, when developing a plan, governments found that their goals were often complex, vague, and sometimes conflicting, which made it difficult to develop effective strategies and measures to implement a plan. Another challenge governments faced is that there were often not enough resources to successfully implement a plan.[623] In another study on government planning, Lee and Mills found that a "lack of planners, techniques or methodologies was not the main problem: a lack of incentives and in some cases considerable opposition to any new approach were far more serious factors."[624] In this latter case, Lee and Mills contended that bureaucrats were deliberately not implementing a plan and that this barrier to implementation reflected the lack of political control over civil servants thus questioning the legitimacy of the political-administrative dichotomy. In other words, it appeared that the relationship between civil servants and politicians portrayed by the dichotomy was a great deal more complex than originally perceived by Woodrow Wilson. Civil servants were not following political directions as originally intended or believed. As discussed in this dissertation, public choice theorists have explained this action by arguing that civil servants are guided by their own interests, and not the public's, when making decisions.

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[622] Christopher Pollitt, *Managerialism and the Public Service* (Oxford: Basil Blackwood, 1990), p. 40.
[623] For example, see Eugene Bardach, *The Implementation Game: What Happens After a Bill Becomes Law* (Cambridge: MIT Press, 1997); Jeffrey Pressman and Aaron Wildavsky, *Implementation: How Great Expectations in Washington Are Dashed in Oakland* (Berkeley: University of California Press, 1973).

Despite its tumultuous history, planning experienced a revival in many governments in the late 1980s and 1990s. Influenced by the new public management and managerialist paradigms, planning was increasingly viewed to be a rational mechanism in which governments could become more economic, efficient, and effective. Peter Aucoin notes that a more managerial approach to government led to an increased concern with reporting on results and outcomes and consequently, more attention was given to developing administrative processes to demonstrate the government's performance.[625] Christopher Pollitt further notes that this managerialist shift also provided "a label under which private sector disciplines can be introduced to the public service, political control can be strengthened, budgets trimmed, professional autonomy reduced, public service unions weakened and a quasi-competitive framework erected to flush out the 'natural' inefficiencies of bureaucracy."[626] Hence, the development of a business planning process in the Government of Alberta was representative of the wider changes taking place in many countries around the world.

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[624] K. Lee and A. Mills, *Policy-making and planning in the health sector* (London: Croom Helm, 1982), p. 184.

[625] Peter Aucoin, "Contraction, managerialism and decentralization in Canadian government," *Governance*, Vol. 1:2 (April 1988), p. 152.

As discussed in the dissertation, there were numerous reasons why business plans were implemented. Similar to what Pollitt has found, reasons for the establishment of business plans in the Government of Alberta included the goal to efficiently and effectively address the deficit and debt levels through a government-wide plan, the need to improve performance and management, the desire to improve accountability and transparency, and the need to improve political control of civil servants. Another reason for the establishment of business plans, according to several interviewees (mostly opposition members), is that business plans were an attempt to depoliticize the decision-making process or in other words, make the political environment more like a business. Supporting this finding, B. Guy Peters has argued that some governments believed if they developed a long-range plan, the planning process could "remove some aspect of public policy from the partisanship and divisiveness of politics and transport it to the rarefied atmosphere of 'rational' decision making."[627] This latter finding needs to be further researched to determine if the business planning process has allowed for more 'rational' decisions to take place in the Government of Alberta. Before undertaking such a research project though, one would need to define 'rational' and 'political' to determine the relationship between the two terms. Finally, it would also be important to question the merit of making 'rational' decisions without taking 'politics' into consideration in a political environment.

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[626] Christopher Pollitt, *Managerialism and the Public Service*, p. 49.
[627] B. Guy Peters, *The Politics of Bureaucracy*, p. 200.

In summary, the different reasons for the development of business plans were related with the general theme being to improve overall management and accountability in government. In the following section, a summary of the three major research themes takes place.

6.1 Summary of Major Findings

In conducting the research for this dissertation, there were numerous themes that arose from the interview process and from the analysis of government documents and secondary literature. First of all, it was found that the business plans influenced the accountability relationship between civil servants and government members more than the accountability relationship between government members and citizens. Related, another finding was despite the many arguments against using the traditional political-administrative dichotomy as the way to describe the relationship between government members and civil servants, all of the government members interviewed in this study stated that the business plans were a way to control civil servants and the policy agenda in government. In other words, business plans were a mechanism to ensure civil servants developed and implemented the business plans in a manner that reflected the government's goals and priorities, hence supporting the traditional political-administrative dichotomy. Finally, as discussed in this dissertation, one of the main reasons for implementing business plans was to improve accountability. Yet the idea of 'improving accountability,' for the most part, was found to be dependent on the interviewee category and moreover, even though the Government of Alberta has a formal definition of accountability, the understanding and interpretation of accountability was also found to be contextual. Throughout the interview process, accountability was understood to mean answerability, transparency, providing information on performance and results, control, liability, or responsibility. These different interpretations of accountability also reflected the traditional public administration, new public management, and public choice approaches to accountability. Most importantly, the research results demonstrate how the traditional public administration approach to accountability remains; however, the other two approaches to accountability have became a more dominant way of interpreting and addressing accountability in the Government of Alberta.

6.1.1 Influence of Business Plans on Accountability Relationships

As earlier noted, one of the major findings in this dissertation, according to the interview results, is that the business plans influenced the accountability relationship between civil servants and government members to a greater extent than the relationship between government members and citizens. Indeed, both civil servant and government member interviewee categories overwhelmingly stated that the business planning process had significantly influenced the accountability relationship between the two parties.[628] Given that there was not a formal planning system in place prior to the Klein government, with the establishment of business plans, civil servants became answerable to government members for the strategies, performance measures, and targets published in their department's business plans. Civil servants also were required to report on their plan's performance via the annual reports and specific to performance measures and targets, in the annual Measuring Up report. Each Minister was also required to sign an accountability statement for their departmental business plan demonstrating that they have read the plan, that it was prepared under the Minister's direction, that it complies with the government's priorities and policies, and that the Minister is committed to achieving the results outlined in the plan. Interestingly enough, in the accountability statements, there is no mention of the minister being answerable for the business plan, but simply that the "Minister is committed to achieving the planned results laid out in this business plan."[629] This statement supports the new public management approach to accountability where the focus is on achieving results instead of the traditional focus on reporting on inputs and outputs. What remains elusive in this formal accountability statement is whether or not answerability is viewed to be represented by the word 'committed.'

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[628] There were respondents from the other interviewee categories who agreed that the civil servant-government member accountability relationship was influenced by the business planning process; however, approximately half of them stated that they were a bit removed from the inner workings of government and hence, they were reluctant to make a comment on this relationship.

As will be further discussed in the theoretical section of this chapter, the business planning process was perceived to have influenced the civil servant and government member relationship more than the accountability relationship between government members and citizens because of the increased political control and oversight over civil servants. According to the majority of interviewees, the business plans reduced the political uncertainty about how civil servants make decisions and implement policy because of the politically controlled planning framework that had numerous oversight mechanisms (e.g. ministerial accountability statement, Standing Policy Committees) in place to monitor decisions and ensure compliance. As noted by the majority of government member interviewees, the business planning process was designed to improve the accountability (answerability) relationship between civil servants and government members and ultimately, between government and citizens.

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[629] For example, see Department of Advanced Education, Government of Alberta, "Advanced Education Business Plan 2006-09," Section on Accountability Statement (22 March 2006).

Although the majority of interviewees stated that the accountability relationship between civil servants and government members had been influenced by the establishment of the business planning process, there was little empirical evidence to suggest that the accountability relationship between citizens and government members had been significantly altered or influenced by the implementation of business plans. Unlike the civil service, for example, where a pay-for-performance system was developed to encourage compliance in meeting the goals in the business plan, the consequences for lack of performance in the government/citizen accountability relationship did not change. In other words, if citizens were not pleased with the business plan, there was no other recourse for citizens to express their displeasure except through traditional mechanisms such as contacting the government (e.g. write a letter or email), going to the media, contacting a relevant interest group, or voting for an alternative political party at election time.

Despite the lack of structural changes to this accountability relationship, the majority of government member interviewees believed it was enhanced because of the additional information made available to the public to assess the government's performance. In this case, accountability is defined as the government providing more information and being more transparent to citizens and hence, moving away from the government's formal definition where the focus is on answerability. Although more information is now available about the government's goals, strategies, measures, and performance via the business plans, there was no evidence about the percentage of

Albertans who read and use the business plans to hold the government to account. Indeed, the majority of interviewees from the business, media and opposition member categories expressed concerns about the probable small amount of people who read the business plans, let alone even know that the Government of Alberta produces such plans on an annual basis. This interpretation of accountability, where the definition of accountability seems to relate to providing information and enhancing transparency is not necessarily the same as answerability. Although the Government of Alberta is answerable to the public, there are no consequences for non-performance, hence diminishing the idea of answerability compared to the government/civil servant accountability relationship where there are consequences for non-performance.

Interestingly enough, even though government members perceived they improved their control over civil servants through the business planning process, B. Guy Peters has questioned if power is actually being gained. Different from the results in this dissertation, Peters makes the argument that planning "represents a movement away from the ability of elected or even selected leaders to control government and supply the quality and quantity of goods and services demanded by the public."[630] He further notes that "planning constitutes a major weapon in the hands of the bureaucracy"[631] and that it should be seen "as directing control and authority away from the 'political' institutions and toward bureaucratic (especially when each agency or department does its own planning) or technocratic agencies."[632] While Peters makes a valid point, the relationship between civil servants and government members is dependent on how centralized the planning procedures are in government. In other words, if the planning process is fairly decentralized where civil servants are given a liberal amount of freedom to develop the plan, then as Peters argues, the shift in power may be more advantageous to civil servants. Yet, in the Government of Alberta's case, the planning process was, and still is, centralized. For example, Alberta Finance is the coordinating and oversight body to ensure consistency and coordination among the government and departmental plans and also provides direction or advice to departments on their plans. Furthermore, there are a variety of other oversight mechanisms such as the ministerial accountability statements and Standing Policy Committees that ensure government members, and not civil servants, are the actors controlling the planning process.

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[630] B. Guy Peters, *The Politics of Bureaucracy*, p. 199.
[631] Ibid., p. 201.

In summary, the accountability relationship between civil servants and government members was structurally influenced more by the business planning process than the accountability relationship between government and citizens. As noted though, even though the accountability relationship between government and citizens was not fundamentally altered by any changes to the structures or processes in government, there was still the perception that by providing more information on what the government planned to do and making this information public, the government had become more accountable to the people. Accountability in this sense becomes contextual since it was mostly government members who perceived that they had become more accountable to the public whereas other interviewee categories were more skeptical of any changes in the accountability relationship.

6.1.2 The Support for the Political-Administrative Dichotomy

Related, another major theme in the research has been the support for upholding the principles of the political-administrative dichotomy. Formally introduced by

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[632] Ibid.

Woodrow Wilson, the dichotomy represented the idea that "administration lies outside the proper sphere of politics. Administrative questions are not political questions. Although politics sets the tasks for administration, it should not be suffered to manipulate its offices."[633] Wilson further argued for a more business-like approach to public affairs where there were clear rules about the roles, responsibilities, and proper conduct for politicians and civil servants. He also made the argument that partisanship and political influences on the decision-making processes in government were not rational and instead, the application of business processes that supported efficiency and rationalism should be sought when making decisions. Dwight Waldo, a distinguished scholar within the field of public administration, has argued that Wilson's article "is the most significant work in the history of self-aware Public Administration, a source of seemingly endless stimulation and controversy."[634]

Yet over the years, there have been numerous studies that argue the relationship between civil servants and politicians is more complex than what was suggested by Wilson. For example, in a well-known comparative study of this relationship in western democracies, Aberbach, Putnam, and Rockman offer an alternative model on how the relationship should be understood.[635] They present a sliding scale that outlines the different political-administrative relationships present in the public sector where it is the politicians who develop policy and civil servants are expected to implement all policy directives. The first relationship is described as separate spheres, similar to what is espoused in the traditional political-administrative dichotomy. The next type of relationship presumed to exist is when senior civil servants have some level of input into decisions about policy, but the primary role of civil servants is still to provide information on policy implementation and to implement the policies as directed. The third type of relationship suggests that politicians and civil servants work together to develop policy; however, politicians are expected to be the actor that deals with the public and with partisan issues. The role of civil servants at this level is to "mediate narrow, focused interests of organized clienteles."[636] The fourth image is where the relationship between government members and civil servants is most cohesive and overlapping. The authors suggest that at this stage, both actors take into consideration partisan interests when making decisions and that there is tendency for actors to move between political and administrative career paths. In other words, at this level, the presumption is that the political-administrative dichotomy is non-existent. This study has been recognized as one of the most important works on the relationship between civil servants and politicians because it attempted to provide a more accurate and realistic depiction of this relationship than Woodrow's earlier portrayal.[637]

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[633] Woodrow Wilson, "The Study of Administration," p. 210.

[634] Dwight Waldo, *The Enterprise of Public Administration* (Novato, Calf.: Chandler and Sharp, 1980), p. 11.

[635] Joel Aberbach, Robert Putnam, and Bert Rockman, with the collaboration of Thomas Anton, Samuel Eldersveld, and Ronald Inglehart, *Bureaucrats and Politicians in Western Democracies* (Cambridge: Harvard University Press, 1981), pp. 1-23.

There have been numerous other critiques made against the relevancy of the traditional political-administrative dichotomy as a way to describe or prescribe relationships between civil servants and politicians.[638] As James Svara has noted, "it has been a convenient straw man for public administrationists to attack and has been criticized as being irrelevant to current conditions."[639] Despite the many persuasive critiques made against this traditional doctrine, the political-administrative dichotomy continues to have "amazing powers of survival"[640] within the study of public administration. Interestingly enough, the need to distinguish and clarify the roles and responsibilities of government members and civil servants was a pervasive theme in the interviews. For example, when government members were asked to comment on the reasons why business plans were put in place, every participant stated that one of the major reasons was to better control the actions and decisions of the civil servants. Within this interview process, numerous interviewees from each of the interview categories stated that when the Klein government first came to power, the relationship between government members and civil servants was strained because of the government's negative comments about the Alberta civil service. Similar to what was taking place in other jurisdictions, as noted by Garofalo, civil servants tended to be "identified as the targets of concern, consternation or reform… the bureaucrat's position is suspect, dubious, even diabolic [whereas] the elected official's position is inviolate, sanctioned, even sacrosanct."[641] There was the perception amongst government members that civil servants had, to a certain extent, usurped the policy agenda and that through business planning and government oversight of this process, the government could regain any powers that had been supposedly lost.

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[636] Ibid., p. 9.

[637] For support of the Aberbach et al. study, see Colin Campbell and B. Guy Peters, "The Politics/Administration Dichotomy: Death or Merely Change," *Governance*, Vol. 1:1 (January 1988), p. 82.

[638] For example, see Nicholas Henry, "The Emergence of Public Administration as a Field of Study," in Ralph Clark Chandler, ed., *A Centennial History of the American Administrative State* (New York: The Free Press, 1987), p. 41.; Hal Rainey, "Public Management: Recent Developments and Current Prospects," Naomi Lynn and Aaron Wildavsky eds., *Public Administration: State of the Discipline* (Chatham, New Jersey: Chatham House Publishers, 1990), p. 173.; James Fesler and Donald Kettl, *The Politics of the Administrative Process* (Chatham, New Jersey: Chatham House Publishers, 1991), p. 14.

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[639] James Svara, "The Politics-Administration Dichotomy Model as Aberration," *Public Administration Review*, Vol. 58:1 (January- February 1998), p. 51.
[640] B. Guy Peters, *The Politics of Bureaucracy*, p. 137.
[641] Charles Garofalo, "Moral Agency and Moral Citizenship: Politics, Administration, and Ethics Reform," Conference on Public Administration: Challenges of Inequality and Exclusion (Miami, 14-18 September 2003), p. 2.

In this sense then, the business planning process appeared to support distinct policy roles for government members and civil servants. As one of the government members noted, "having an accountability statement signed by a minister at the beginning of each business plan was deliberate. It showed the civil servants who was in charge."[642] Hence, despite the many arguments put forward that demonstrate the lack of empirical evidence for the existence or relevancy of the political-administrative dichotomy in government, in this case, the government members used the business planning process to delineate who was to develop policy, who was to implement policy, and who was to approve the final plan. Further, the government also developed a planning process where those in management positions in the civil service were financially rewarded or punished depending on if their department reached the goals and targets as published in the business plans. It appears then, that the business planning process supported and strengthened the concept of the political-administrative dichotomy in the Government of Alberta.

6.1.3 Contextual Accountability in the Government of Alberta

One of the most written about subjects in contemporary public administration literature is accountability. It is a relatively new term in many governments and there is little agreement to what accountability should mean, to whom it should apply, and in what context. As argued by Thomas at the outset of the dissertation, Richard Mulgan also agrees that accountability is a "complex and chameleon-like term."[643] Substantiating this claim, Mulgan further contends that:

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[642] Interview participant, Government Member. Edmonton, Alberta. July 1999.

[643] Richard Mulgan, "Accountability: an ever-expanding concept?" *Public Administration,* Vol. 78:3 (2000), p. 555.

> It has been applied to internal aspects of official behaviour, beyond the external focus implied by being called to account; to institutions that control official behaviour other than through calling officials to account; to means of making officials responsive to public wishes other than through calling them to account; and to democratic dialogue between citizens where no one is being called to account.[644]

Similar to other political terms, the meaning of accountability has become somewhat contextual because of the political environment in which it is applied. The definition, interpretation, and application of accountability has also been influenced by the shift in theoretical paradigms as will be elaborated on in the following section. Indeed, accountability in a public sector organization is complex to define, implement, and maintain. This is reflected by the many accountability systems that have been developed, implemented and usually dismantled over the past several decades by many governments around the world. Program budgeting, zero-based budgeting, performance planning and budgeting, management by objectives, continuous quality improvement, total quality management, and results-based governance are just a few approaches that have been attempted since the 1950s to improve public sector accountability. The new wave of accountability systems include accountability legislation, government-wide plans, performance measures and targets, and individual performance management plans.

As noted earlier, in this study, accountability was interpreted by the interview participants and by government documents in a variety of ways. The Government of Alberta formally defined accountability to be "an obligation to answer for the execution of one's defined responsibilities."[645] In this case, the Government of Alberta identified answerability to be the primary component of accountability in its formal documents;

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[644] Ibid.

however, the interview respondents expanded on this definition of accountability during the research process. For example, pertinent to both accountability relationships studied in this dissertation, one of the interpretations of accountability focused on providing information. Within the government-citizen relationship, accountability was interpreted as the government providing information to citizens via the business plans. For this relationship, this type of accountability is a one-way transmission of information whereas in the political-administrative relationship, the transmission of information is two-way. Government members communicate their goals and priorities to the civil servants to guide the development of business plans and policy in departments and in turn, civil servants develop the business plans to inform the government what is taking place in each ministry and how the each department's goals relate to the government's priorities and goals. Although answerability and the provision of information are related, the two terms are different. For example, providing information does not necessarily imply answerability because one can give information but not be answerable for the action or content. In this case, accountability was simply interpreted to mean the provision of information without any other sanctions or obligations tied to the concept.

This informing aspect of answerability also relates to another accountability concept, which is transparency. The level of transparency, in relation to business plans, is dependent on the type of accountability relationship. For example, specific to the government and citizen accountability relationship, most of the interview participants from the government member and civil servant categories stated they thought accountability had improved because business plans were available to the public. In this

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[645] Alberta Finance, Government of Alberta, "Measuring Performance: A Reference Guide," Part One. (September 1996), Retrieved 02 January 2007:

sense, through greater transparency of plans, the government was deemed to be more accountable to citizens than in the past. As noted in the dissertation, most of the interviewees from the other categories (media, business, and opposition) were more skeptical about the relationship between transparency and accountability. In this case, interview respondents were concerned that the business plans were political documents void of any goals, strategies, measures, and targets that are controversial and potentially damaging to the government's reputation or term in power. The relationship between civil servants and government members also became more transparent than in the past because of the departmental and Deputy Minister's performance plans and reports that were linked to the business plans and overall accountability framework. Transparency was somewhat limited though since the Deputy Minister's plans and reports were not made available to the public. Again, in interpreting accountability, it appeared that most of the interview respondents equated accountability with transparency or at least, argued that transparency should be a fundamental component to any definition of accountability.

Another manner in how accountability was interpreted and assessed by the interview participants was by the level and presence of sanctions for performance. Derick Brinkerhoff argues that, "answerability without sanctions is generally considered to be weak accountability."[646] Expanding on that argument, transparency and the provision of information without sanctions is also likely to be viewed as weak. Again, depending on the accountability relationship, there were differing views on the relationship between accountability, performance, sanctions, and liability. For example, specific to the government and citizen accountability relationship, there was some

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http://www.finance.gov.ab.ca/publications/measuring/measupgu/guide1.html.

concern about whether or not business plans influenced the interpretation of accountability because the planning process had not changed any sanctions. As Brinkerhoff notes, sanctions are often equated with "requirements, standards, and penalties embodied in laws, statutes, and regulations…professional codes of conduct, an array of incentives that are intended to reward good behavior and action and deter bad behavior and action without necessarily involving recourse to legal enforcement."[647] As noted in the dissertation, citizens had the same mechanisms and sanctions to hold politicians to account in the business planning era as they did prior to the Klein government. Conversely, a performance management system intended to financially reward or punish civil servants based on their work performance was established shortly after the business planning process was developed. If management in the civil service met the targets in the government and department's business plans, they would be financially rewarded for their performance. In this case, sanctions were developed with the intention to strengthen the accountability relationship between civil servants and government members whereas for the citizen and government relationship, there were not any sanctions developed that directly influenced this accountability relationship.

In summary, the interview findings demonstrate that how accountability is defined and understood is contextual and is dependent on the position of the interview participant. Government members and civil servants were more apt to state that accountability had been influenced by the business planning process than the media, members of the business community, or members of the opposition parties. Hence, when any actor in the political system comments on the state of accountability in the

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[646] Derick Brinkerhoff, "Accountability and health systems: toward conceptual clarity and policy relevance," *Health Policy and Planning*, Vol. 19:6 (2004), p. 371.

Government of Alberta, it is important to identify the messenger. Moreover, it is also important to identify which accountability relationship is being discussed when defining or interpreting accountability. As discussed in this section, accountability characteristics such as answerability, transparency, performance, provision of information, and sanctions appear to be more relevant to certain accountability relationships than others.

6.2 The Theoretical Arguments and Implications at a Glance

As found through the research for this dissertation, the Government of Alberta has privileged and promoted the new public management and public choice approaches to accountability. Although these two approaches are dominant, the traditional public administration approach to accountability still remains. The new public management and public choice approaches to the government member and civil servant accountability relationship tend to focus on a formal contract between government and civil servants whereas the traditional public administration approach focused on the more informal, private reporting relationship between a minister and his or her civil servants. As will be discussed in the following section, the traditional public administration approach to accountability also focused on ministerial responsibility, the political-administrative dichotomy, and the reporting of inputs and outputs whereas the NPM approach to accountability focused on numerous accountability relationships and identified different types of accountabilities within the state. Furthermore, NPM is also typically identified with performance accountability where results and outcomes are given prominence over inputs and outputs. The public choice approach to accountability is less developed than the NPM approach; however the public choice approach focuses on the need to develop accountability procedures to centralize decision-making so that politicians can better

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[647] Ibid.

control the decisions and actions of civil servants. In this section, an analysis of the theoretical paradigms takes place as they relate to accountability and the research results.

6.2.1 Traditional Public Administration and Accountability

As discussed in chapter two, the early interpretation of accountability in Canada focused on the relationship between civil servants and government members and was usually written about under the guise of ministerial responsibility and the political-administrative dichotomy. The accountability relationship between civil servants and ministers during the traditional public administration era can be described as informal in the sense that there was no formal contract between the two actors outlining the minister's expectations, goals, and targets of civil servants under his or her command. Indeed, ministerial responsibility was, and still is a constitutional convention that requires cabinet ministers to be "individually responsible legally, politically, morally to the legislature for their actions and policies within their portfolios, and also responsible collectively to the legislature as the government-of-the-day."[648] Despite calls for increased accountability of civil servants to parliamentary committees and to the public-at-large at the federal level, the traditional relationship between civil servants and ministers has remained consistent since ministerial responsibility was first adopted in Canadian politics. Civil servants remain answerable to their Minister for all actions and decisions made within the department.

In the interviews, ministerial responsibility, for the most part, was not contested; however, some of the executive civil servants stated that Deputy Ministers were now responsible for the management of the department and the politicians were responsible for policy development and direction. This new arrangement differed from the traditional public administration era in the sense that that it was not entirely clear on which actor was responsible for the management of the department prior to the establishment of business plans. With the development of business plans, Deputy Ministers' plans and reports, and departmental plans and reports, it became very clear that the Deputy Minister was responsible for the management of the department. Ministerial responsibility remained intact though since politicians were to remain the actors who developed policy and civil servants the actors who managed the department (Deputy Minister) and implemented policy directives.

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[648] John McMenemy, *The Language of Canadian Politics*, Third edition (Waterloo: Wilfrid Laurier Press, 2001), p. 176.

Related to ministerial responsibility is the much debated political-administrative dichotomy. Central to how the relationship between politicians and civil servants was understood in the latter 19th and early 20th centuries, the identified roles and responsibilities of each were assumed to be separate and distinct.[649] For a variety of reasons, as discussed in this dissertation, this dichotomy was proven to be false.[650] Instead, the level of involvement in who developed and implemented policy was found to be a great deal more complex than what was presented in the political-administrative dichotomy argument. As B. Guy Peters notes, "it became increasingly clear that government decisions were not made in the hallowed halls of the legislature; rather, a good number of them were made in the less impressive but more numerous halls of administrative office buildings."[651] Yet Peters, in his comparative study of decision-making processes in government, found that the "artificial separation that developed between politics and public administration has been eroded to some degree but has not disappeared entirely."[652]

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[649] Woodrow Wilson, "The Study of Administration," *Political Science Quarterly*, Vol. 2 (June 1887), pp. 209-210.

[650] See: Joel D. Aberbach, Robert D. Putnam, and Bert A. Rockman, *Bureaucrats and Politicians in Western Democracies* (Cambridge, Mass.: Harvard University Press, 1981.); and Thomas J. Anton, *Administered Politics* (Boston: Nijhoff, 1980).

[651] B. Guy Peters, *The Politics of Bureaucracy*, p. 4.

Indeed, as found in the interview results, the underlying premise behind the political-administrative dichotomy has not disappeared in the Government of Alberta. The government member interviewees were especially vocal in expressing how important it was for politicians to be the primary actors who developed policy. As discussed in the dissertation, both civil servants and government members stated one of the main reasons why business plans were developed was to clarify the roles and responsibilities concerning policy development and implementation. In this sense, even with the establishment of business plans, the principles of ministerial responsibility and the political-administrative dichotomy remained as part of the Government of Alberta's accountability framework.

Central to both the concept of ministerial responsibility and the political-administrative dichotomy is the idea of control and accountability. As discussed in the dissertation, the Finer-Friedrich debate demonstrated that there was dissension about the level of political control or oversight in government. Whereas Finer argued that it was necessary for a certain amount of overhead democracy or control by political institutions to monitor and direct the behavior of civil servants,[653] Friedrich contended that a softer approach to oversight was necessary. In other words, Friedrich and his proponents believe that the behavior of civil servants can be influenced by a code of ethical conduct or a set of standards for behavior.[654] This conflict about the necessary level and types of oversight is an ongoing issue in many governments as they attempt to discern the most appropriate mechanisms to control behavior. In the interviews, this dissension was also apparent.

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[652] Ibid.

[653] For example, see Herman Finer, "Administrative Responsibility in Democratic Government," *Public Administration Review*, Vol. 1:4 (1941), pp. 335-350; See also, Emmette Redford, *Democracy in the Administrative State* (New York: Oxford University Press, 1969); Charles Hyneman, *Bureaucracy in a Democracy* (New York: Harper and Brothers, 1950); and Dan Wood and Richard Waterman, *Bureaucratic Dynamics: The Role of the Bureaucracy in a Democracy* (Boulder, Co.: Westview Press, 1994).

While all of the government members stated it was important to have centralized oversight mechanisms to direct and monitor civil servants, most of the civil servants felt that with the establishment of the business planning process, there was too much oversight at times. For example, approximately half of the civil servants expressed concern about the rigidity of the business planning process and template that had to be followed. An equal amount of civil servants also stated that while they recognized that it was important for departments to develop a business plan that was coordinated with other government initiatives, there was too much oversight and involvement in the business planning process from the Public Affairs Bureau and the communications' divisions in each of the departments. In this case, there was some concern that once the business plans were written by the departments, they had to be given to the communications' division for feedback and approval. As mentioned by several senior civil servants, while the role of communications is important in the business planning process to ensure clarity and a consistent message, there was too much interference concerning the more substantial components of the plan such as the choice of goals, objectives, strategies, measures, and targets. A few of the civil servants also stated they were getting mixed messages from the government about the need to empower and delegate decision-making authority to civil servants at the same time as the planning, reporting, and communication functions were all being centralized. Indeed, the implementation of the business planning process reflects the ongoing debate that Finer and Friedrich discussed over fifty years ago and it is likely a debate that is not going to subside any time soon.

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[654] For example, see Carl Friedrich, "Public Policy and the Nature of Administrative Responsibility," *Public Policy: A Yearbook of the Graduate School of Public Administration*, C. J. Friedrich and E. S. Mason, eds. (Cambridge, MA: Harvard University Press, 1940), pp. 3-24. See also Norton Long, "Bureaucracy and Constitutionalism," *American Political Science Review*, Vol. 46 (1952), pp. 808-818; H. George Frederickson, *The Spirit of Public Administration* (San Francisco: Jossey-Bass, 1997); Robert Dahl, *Preface to Democratic Theory* (Chicago: University of Chicago Press, 1970); and Paul Appleby, *Morality and Administration in Democratic Government* (Baton Rouge: Louisiana State University Press, 1952).

The accountability relationship between the state and citizens, as noted in the dissertation, consisted of the government reporting on performance via annual reports and providing information on what the government planned to do via speeches, reports, and press releases. The business planning process did not fundamentally change the traditional accountability relationship between government and citizens since the government remained answerable to citizens and the consequences remained the same. For example, citizens could hold the government to account during elections by expressing their support or lack of support through their ballot choice; however, they really had no other recourse to express their views should they disagree with the actions of the government. In one sense, the lack of change in the citizen-government relationship is not surprising since opening up the decision-making and planning processes to citizens, whether it be in the form of increased participation or scrutiny, is risky for governments. Indeed, citizens are generally much more difficult to control than civil servants.

Another characteristic of the traditional public administration era is defining a government's performance via the level or amount of inputs and outputs put into a program. Prior to the establishment of business plans, the government tended to report on inputs and outputs rather than on the outcomes or results of programs, policy initiatives, and services. For example, speeches, budgets, and other government documents tended to announce the government's accomplishments in relation to how much money was spent or how many clients were served in a program. As will be discussed, results-based management and performance was an instrumental component to the Klein government's accountability framework and will be discussed in greater detail in the following section. In summary, the traditional public administration approach to accountability and planning was informal, inconsistent across government, and focused mostly on the relationship between civil servants and ministers as interpreted by the political-administrative dichotomy and ministerial responsibility.

6.2.2 New Public Management and Accountability

While the traditional public administration approach to accountability has remained as the foundation to interpreting accountability in the Government of Alberta, there have been changes to the lexicon, processes and structures to support accountability because of the influence of the new public management paradigm. As discussed in this dissertation although there is not a standard definition of this term, new public management has been typically associated with the application of private sector assumptions, principles and techniques to the public sector. As argued by Gaebler and Osborne, government should be run like a business and furthermore, government should adopt an entrepreneurial attitude with the ultimate goal to enhance governmental performance.[655] In a later study on entrepreneurial government, Osborne and Plastrik define an entrepreneurial culture in government as being one that is customer-oriented, service-driven, focuses on accountability, empowers its employees, and has a clear vision and mission with a well-developed strategic plan in place.[656] To further understand the different components of NPM, Christopher Pollitt developed the following eight key characteristics of NPM:

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[655] See: David Osborne and Ted Gaebler, *Reinventing Government: How the Entrepreneurial Spirit Is Transforming the Public Sector* (Reading, MA: Addison-Wesley, 1992). For additional information on public entrepreneurship, see Carl Bellone and George Goerl, "Reconciling Public Entrepreneurship and Democracy," *Public Administration Review*, Vol. 52:2 (Mar. - Apr., 1992), pp. 130-134.

> 1. A shift in the focus of management systems and efforts from inputs (and processes towards outputs and outcomes); 2. A shift towards more measurement and quantification, especially in the form of systems; of performance indicators and/or explicit standards; 3. A preference for more specialized, lean, flat and autonomous organizational forms rather than large, multi-purpose, hierarchical ministries or departments; 4. A widespread substitution of contracts (or contract-like relationships) for what was previously formal, hierarchical relationships; 5. A wide deployment of market mechanisms for the delivery of public services; 6. An emphasis on service quality and a customer orientation; 7. A broadening and blurring of the frontiers between the public sector and the market sector and the voluntary sector; [and] 8. A shift in value priorities away from universalism, equity, security, and resilience and towards efficiency, and individualism.[657]

Interestingly, the Government of Alberta adopted all of these NPM characteristics to a certain extent. Specific to this dissertation though, the Klein government developed several market-oriented decision-making tools such as business plans, public performance reports, individual performance management plans, and performance measures to improve accountability.

Indeed, one of the most significant shifts between the traditional public administration era and the NPM era has been how accountability has been defined, interpreted, and structured and the focus on the need to improve accountability. Within the traditional public administration paradigm, accountability was commonly thought to be equated with responsibility and answerability. Moreover, the accountability relationship that received the most attention was between civil servants and government members. In the new public management era, accountability has expanded in meaning and instead of just focusing on answerability and responsibility, it is now interpreted to also mean responsiveness, transparency, liability and consequences, and the provision of information. Christopher Hood also notes that accountability in the NPM era requires clear assignment of responsibility and not a diffusion of power that was representative of the traditional minister-civil servant relationship.[658]

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[656] David Osborne and Peter Plastrik, *Banishing bureaucracy: The five strategies for reinventing government* (Reading, Massachusetts: Addison-Wesley, 1997).

[657] Christopher Pollitt, *The Essential Public Manager* (Philadelphia: Open University Press, 2003), p. 27. For further info on NPM, see: Owen Hughes, *Public management and administration: An introduction*, (New York: Palgrave, 2003); Guy Adams, "Uncovering the political philosophy of the new public management," *Administrative Theory & Praxis*, Vol. 22:3 (2003), pp. 498-499; Michael Barzelay, *Breaking Through Bureaucracy* (Sacramento, California: University of California Press, 1992).

Hood further states that one of the major differences between the traditional public administration era and the NPM era is the shift "in emphasis from process accountability towards a greater element of accountability in terms of results."[659] As discussed at length elsewhere in the dissertation, whereas the government had measured its performance prior to the adoption of new public management managing tools, the focus was mostly on measuring from a financial perspective where the emphasis was on inputs (financial, capital and human resources) and not on outputs and outcomes as advocated by NPM. In other words, there has been a shift from process and financial accountability to results-based performance accountability. As noted throughout the dissertation, the vast majority of interview participants, while commenting and supporting the traditional interpretation of accountability also interpreted accountability in a manner that reflected the influence of NPM. Defining and interpreting accountability became more complex since the term had expanded in scope and meaning. No longer did it just mean answerability and responsibility and no longer was the focus only on the accountability relationship between civil servants and government members; instead, accountability was contextual and multi-faceted and numerous other relationships within and outside the state were assessed to identify and assess the accountability relationship.

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[658] Christopher Hood, "A Public Management for All Seasons," *Public Administration Review*, Vol. 69:1 (1991), pp. 3-19.

[659] Christopher Hood, "The New Public Management in the 1980s: Variations on a Theme," *Accounting, Organizations & Society*, Vol. 20:3 (1995), p. 94.

Not only was there a shift in how accountability was defined and interpreted, but there was also a change in the procedural and structural elements of accountability. As discussed in the dissertation, the Klein government developed an accountability framework that included accountability legislation, government-wide plans, performance measures and targets, ministerial accountability statements, department and Deputy Minister performance plans and reports, and individual performance plans. This elaborate and formal structural and procedural framework was significantly different from the traditional public administration era where accountability was identified with the conventions of ministerial responsibility and a sporadic, inconsistent approach to planning, measuring, and reporting in government. In this sense, the accountability relationship between civil servants and government members became much more formal, results-based, and contractual in the NPM era in comparison to the traditional public administration era. As noted in the dissertation, the accountability relationship between government and citizens did not significantly change in the NPM era although according to some interview participants (mostly government members), there was the belief that accountability improved because more information about the government's plans and performance was available compared to what was available prior to the Klein government.

6.3.3 Public Choice Theory and Accountability

Unlike the United States, public choice theory has not been a popular way to analyze and describe accountability relationships within the state or between the state and citizens in Canada. Yet given that Alberta has been influenced by American political culture in its immigration patterns and has been the hotbed of neo-conservative and neo-liberal politics in the past several decades, the influence of public choice should be no surprise. Hence, given the results of the interviews, it is impossible to ignore the influence of public choice theory on how the Klein government developed its accountability structures and processes. Even though the newly elected Klein government was not explicit in their support of public choice theory to guide their actions and decisions; the need for government members to garner greater political control over civil servants was explicit in the interview findings.

Fundamentally, a public choice approach to understanding how the public sector operates and manages focuses on the decision-making process and problems of control and responsiveness of the different actors involved.[660] In other words, accountability from a public choice perspective is directly related to the Government of Alberta's definition of accountability where the focus is on the answerability and the need to maintain control of civil servants. As discussed in this dissertation, agency theory, a strand of public choice theory, "is concerned with the subordination of the agent to the principal, and with the guarantee that the agency does his work as effectively as possible."[661] The reason for the emphasis on political or principal control is that according to public choice and agency theorists, civil servants "are either out of control or very difficult to control."[662] Furthermore, public choice theorists view "the bureaucracy as if it were a maximizing or self-seeking individual or firm in a market…[that] hoards information (information asymmetry}, seeks autonomy, and shirks."[663] This negative perception of civil servants was a prevalent theme throughout the interview process, where both civil servants and government members commented on the perceived lack of trust towards civil servants, especially when the Klein government came to power. Furthermore, when government members were asked why business plans were implemented, all of them stated that they were put into place to better monitor and control the civil servants decisions and behaviors.

Similar to the traditional public administration paradigm, public choice theory also supports the political-administrative dichotomy. As noted, the political-administrative dichotomy has been criticized at great length over the decades, but as Brown and Stillman find, "it lingers, both as an idea and as a practice. And I don't judge the lingering as simple inertia, a cultural lag."[664] Substantiating this legacy, Wood and Waterman argue that agency theory unequivocally supports the division of roles and

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[660] For example, see Jean Tirole, "The Internal Organization of Government," *Oxford Economic Papers*, No. 46 (1994), p. 1-19; Terry Moe, "Political Institution: The Neglected Side of the Story," *Journal of Law, Economics and Organization*. Vol. 6 (1990), pp. 213-53; and Mathew McCubbins, Roger G. Noll, and Barry R. Weingast, "Administrative Procedures as Instruments of Political Control," *Journal of Law, Economics and Organization*, Vol. 3:2 (Fall 1987), pp. 243-77.

[661] Luiz Carlos Bresser- Pereira, *Democracy and Public Management Reform* (Oxford: Oxford University Press, 2004), p. 255.

[662] H. George Frederickson and Kevin B. Smith, *The Public Administration Theory Primer*, p. 37.

[663] Ibid.

[664] Brack Brown and Richard Sillman, *The Search for Public Administration: The Ideas and Career of Dwight Waldo* (College Station, Texas: Texas A & M University Press, 1986), p. 153.

responsibilities as espoused by the political-administrative dichotomy. Within the public choice paradigm, the principals (politicians) attempt to guide the policy agenda by developing various instruments such as legislation, regulations, appropriations, plans and performance reports to directly influence the behavior of civil servants to ensure they implement what the principals want. Likewise, the agents (civil servants) are expected to respond to the directions of the principals. The business planning process allows for politicians to shape the policy agenda and to direct civil servants to develop a plan according to the government's priorities. Moreover, the planning process that was developed also provides a series of checks and incentives (e.g. Standing Policy Committees, individual and department performance reports, performance plans) to ensure civil servants follow political directives and reward civil servants when they do follow political direction and reach the goals and targets as outlined in the plans. Indeed, the principal-agent perspective argues that incentives and political monitoring are effective mechanisms to implement to control the behaviour of civil servants.[665]

The interview results also demonstrated that the accountability relationship between the government and citizens needed to be controlled. Similar to the need for politicians to control civil servants, there was the perception that it was also necessary to 'manage' or 'control' the relationship between government and citizens in the form of increased information and that it was necessary to be a body that directly releases information to the public (available on government website). Instead of having the media be the conduit of communication between citizens and the state, the government explicitly stated that they felt it was important to have an 'unfiltered' information process. In this sense, business plans and performance reports told citizens what the government planned to do and how they performed in relation to meeting the goals and targets established in the plans. It is also important to note that at the same time the accountability framework was introduced in government, the communications function became more centralized. The message and the means were increasingly being controlled by the Premier's Office via the Public Affairs Bureau. Hence, the theme of control was pervasive throughout the interview process and related to both the civil servant and government accountability relationship and the government and citizen accountability relationship.

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[665] For example, see: Albert Breton and Ronald Wintrobe, "The Equilibrium Size of a Budget Maximizing Bureau," *Journal of Political Economy*, Vol. 83 (February 1975), pp. 195-207; Matthew McCubbins, Roger Noll, and Barry Weingast, "Administrative Procedures as Instruments of Political Control," *Journal of Law, Economics & Organization* Vol. 3 (1987), pp. 243-277; Matthew McCubbins, Roger Noll, and Barry Weingast, "Structure and Process, Politics and Policy: Administrative Arrangements and the Political Control of Agencies," *Virginia Law Review*, Vol. 75 (1989), pp. 432-482; and Gary Miller and Terry M.

6.3.4 Integrating Paradigms and Accountability

Within this study, there were numerous areas where theories, ideas, and interview results seemed to conflict with one another. Although paradoxes are typically described as 'apparent contradictions,' similar to how Hood and Peters use the term in their study, paradoxes will be defined "more loosely, as outcomes and developments that were unexpected, unintended, or contrary to received belief, particularly but not only in the form of unanticipated negative side and reverse effects."[666] One of the most challenging aspects of bridging traditional public administration, new public management, and public choice theory to understand the changes to interpreting and structuring accountability has been the paradox concerning centralization and decentralization. Complicating this

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Moe, "Bureaucrats, Legislators, and the Size of Government," *American Political Science Review,* Vol. 77 (1983), pp. 297-322.

[666] Christopher Hood and B. Guy Peters, "The Middle Aging of New Public Management: Into the Age of Paradox?" *Journal of Public Administration Research and Theory*, Vol. 14:3 (2004), p. 269.

paradox is that new public management literature has not been consistent in terms of how it addresses centralization and decentralization. On one hand, there have been arguments to decentralize services and decision-making processes and to delegate authority to empower civil servants; however, at the same time, there have been themes within the NPM literature that argue for the need to centralize decision-making.[667] As Peter Aucoin argues:

> …the designers of the new systems have tried to balance centralization to achieve strategic directions and corporate discipline with decentralization of managerial authority over the use of allocated resources joined to a greater accountability for results. For many in the trenches of government operations, the reality has been viewed as a massive centralization of power using both direct and indirect measures; managers have had fewer resources with which to operate and yet are expected to generate even more in the way of savings but without diminishing the quantity or quality of services.[668] (p. 9)

As Aucoin further notes, the process of "simultaneous centralization and decentralization in government structures has constituted a central feature of the new public management."[669] Indeed, at the same as NPM was espousing the need to empower and delegate authority, many governments, including the Government of Alberta, were centralizing their management and oversight functions. When decentralization did occur in the Government of Alberta, it occurred at the service delivery level rather than at the management and oversight level. Aucoin contends though that, "it is possible to obtain 'good government' through devolution as long as a fundamental distinction is drawn between organizational designs for policy and operational responsibilities respectively."[670]

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[667] Peter Aucoin, *Breaking the Bargain*, p. 13.

[668] Peter Aucoin, *The New Public Management: Canada in Comparative Perspective* (Montreal: The Institute for Research on Public Policy, 1995), p. 9

[669] Peter Aucoin, "Political Science and Democratic Governance," *Canadian Journal of Political Science*, Vol. 29:4 (1996), p. 648.

In this sense, it is possible for a government to decentralize service delivery and other operational functions at the same time centralizing policy and decision-making systems as did the Government of Alberta. In other words, there may not be a paradox between centralizing and decentralizing since these two actions can take place at the same time. Before moving on to another paradox, it is also important to note that when this paradox is viewed another way, as suggested by Shields and Evans, it appears that it "is the resurrection of the traditional public administration doctrine of the political/administrative dichotomy, meant to facilitate the concentration of power necessary to restructure the state."[671] In the Government of Alberta, centralizing the planning, reporting, and measuring procedures and structures ensured that the division between policy development and policy implementation were clear and demonstrated that the primary policy actors were to be those who were elected.

Another paradox that needs further attention by public administration scholars is between performance and accountability. As noted in the previous chapter, within the performance measurement and accountability literature, a common assumption is that once a government develops plans and performance measures, it therefore becomes more accountable. Mel Dubnick finds that when governments develop or improve accountability procedures and structures, promises of enhanced democracy, higher ethical conduct, and improved government performance are often given. Yet he questions this assumption and instead asks: "Is there a basis for the assumed relationship between accountability and performance? Will greater accountability mean improved performance?"[672]

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[670] Peter Aucoin, *The New Public Management: Canada in Comparative Perspective*, p. 12.

While some authors have focused on pointing out that the relationship between accountability and performance is, for the most part, nebulous, there are other authors who have argued that there is an inherent tension between the two concepts. The underlying tension is that "increasing efforts to improve performance through accountability tends to have the opposite effect."[673] For example, several authors have argued that in many cases, more emphasis is placed on how well civil servants "implement accountability procedures rather than for how well they perform their primary purposes."[674] The authors further argue that the accountability and performance paradox arises because "the costs of time and resources devoted to account giving are resources that could be used to improve performance/goal displacement in action."[675] Finally, and related to the previous point, the authors argue that because of the increase demands of the accountability era, "there are as many officials engaged in oversight as there are officials actually doing the work of the agencies."[676] The concerns raised by these and other authors should be further explored to determine the empirical evidence to

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[671] John Shields and B. Mitchell Evans, *Shrinking the State: Globalization and Public Administration "Reform,"* p. 75.

[672] Melvin Dubnick, “"Accountability and the Promise of Performance: In Search of the Mechanisms," *Public Performance and Management Review*, Vol. 28:3 (March 2005), pp. 376-417.

[673] Ibid. See also: Arie Halachmi and Geert Bouckaert, "Performance Measurement, Organizational Technology and Organizational Design," *Work Study. Vol.* 43:3 (1994), pp. 19-25; Geert Bouckaert and B. Guy Peters, "Performance measurement and management: The Achilles Heel in administrative modernization." *Public Performance & Management Review*, Vol. 25:4 (2002), pp. 359-362; Arie Halachmi, "Performance Measurement, Accountability, and Improved Performance," *Public Performance & Management Review*, Vol. 25:4 (2002), pp. 370-374.

[674] H. George Frederickson, "Coming to Account," *Public Administration Time: American Society for Public Administration*, Vol. 28:5 (May 2005), p.

[675] Ibid.

[676] Ibid.

identify the benefits and costs to implementing accountability oversight procedures and policies.

6.4 Business Plans and Accountability Since 1999

Since the interviews were conducted in 1999, numerous changes have been made to the business plans and overall planning structure; however, there have been no significant changes made to the accountability legislation or definition of accountability. In 1999, a government-wide strategic plan was developed and operational plans are in the midst of being developed at the ministry level. Further, as discussed in this dissertation, performance plans were implemented at the individual level to make the link between individual performance goals and the department's overall goals.

One of the most significant changes to the Government of Alberta's planning framework has been the development of a strategic plan. The strategic plan is a document that includes the government's vision, the 20-year strategic plan, the government's three-year business plan, and the three-year business plans for each of the ministries.[677] Within the strategic plan, the government identified the following values that provided the base for developing the government's vision and strategic plan:

> Albertans' strong belief in the freedom to pursue personal success; Albertans' recognition that their right to self-determination is balanced by their responsibility to their family and to the greater community; Albertans' pioneering, entrepreneurial spirit and willingness to take risks and embrace new technologies; and Albertans' desire for the freedom to control their own lives and their rejection of unnecessary rules or red tape.[678]

The influence of new public management and neo-liberalism was visible in speeches, legislation, and planning documents when the Klein government came to power and values as outlined in the strategic plan simply reiterate the Government of Alberta's commitment to the more individualistic politics as found in neo-liberalism and the more entrepreneurial type of politics found in new public management. In this sense, the content in the new strategic plan expands and supports the principles the Klein government adopted at the outset of their first term in office. Even though there are new plans in place, the underlying message remains the same.

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[677] Alberta Finance, Government of Alberta. *Government of Alberta Strategic Business Plan and 2006-09 Business Plan.* (22 March 2006).

[678] Ibid., Section "Keeping Albertans Values in Mind."

There have also been changes made to the content and format of the government and ministry business plans. For example, in the government's business plan, there are now eight priorities identified and each of the government's fourteen goals is affiliated with one of the priorities. Prior to 1999, the government's priorities were not outlined as they are now. In the 2006-09 government business plan, it states the "eight top priorities comprise a clear and concise 'work order' and the government will be accountable to Albertans for making significant progress on these eight priorities in the 2006-09 business plan."[679] In this section of the plan, each priority is identified along with the goal(s) it is affiliated with. The section also gives an explanation as to why the issue is a priority and includes an action that describes what needs to be done in order for the government to implement the priority.

Along with the 'Top Priorities,' the Government of Alberta has also developed strategic priorities. The strategic priorities include the eight 'Top Priorities,' but were designed to be the "major initiatives that the government will undertake during the next three years, over and above ongoing program and service delivery responsibilities, to address significant opportunities and challenges related to the goals."[680] Examples of the strategic priorities under Goal One (Alberta will have a diversified and prosperous economy) are implementing the agriculture growth strategy, strengthening the rural development strategy, ensuring there are socially responsible and progressive gaming and liquor industries, developing the labor force, and accelerating innovation.[681] Although the plan is somewhat confusing at first because of the different layers of priorities, themes, and goals, the format of the 2006-09 government business plan gives more information about the priorities of the government than when business plans were first developed. The three themes that were developed early in Klein's first term (people, preservation and prosperity) are still relevant and visible within the most current plan; however, the 2006-09 business plan introduces four pillars or strategic opportunities "to help achieve the vision: Unleashing Innovation; Leading in Learning; Competing in a Global Marketplace; and Making Alberta the Best Place to Live, Work and Visit."[682] Related to accountability, there is now additional information on which to judge the government's performance.

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[679] Ibid., Section on "Protecting People's Private Information."
[680] Ibid., Section on "Three-year Strategic Focus."

What has been a major change in the business plans since they were first developed is the government's effort to demonstrate the costs for each goal. In the "What it costs" section, it gives information on the annual provincial spending directed at achieving each of the government's goals. This section of the plan also provides financial information on the expected costs for implementing each goal for the next three years. Further information is given on which ministries will be spending money on each goal and as noted in the government business plan, the Expense by Goal by Ministry, 2006-07 Estimate table in the Appendix provides a breakdown of ministries' planned spending for the government goals.[683] Related, another change since business plans were first implemented is that ministries are required to identify "how their business plan's goals relate and support the government goals in the 'Link to the Government of Alberta Strategic Business Plan' section of their three-year business plans."[684] It appears that the government has attempted to improve the linkages between the government and ministry business plans to improve coordination, integration and transparency. Further, as demonstrated in the changes made to financial transparency and goals, an effort has also been made to give more information on what each goal costs to the general public.

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[681] Ibid., Section on "Unleashing Innovation: Goal One - Alberta will have a diversified and prosperous economy."

Another level of planning that has been developed in the Government of Alberta in the past several years has been operational plans. There is no standard definition of an operational plan but it tends to encompass plans that identify work activities and targets within a given year. In government, operational plans tend to get developed for each division and branch and they are designed to support the ministry-wide goals as found in the business plans. Operational plans are also the link between the broad ministry plan and the individual performance plans for each civil servant in a ministry. Although there are variations amongst operational plans, they tend to include timeframes for completion of tasks, goals and objectives, strategies, the person or group who is responsible or accountable for meeting the performance targets, and performance measures and targets. In some cases, there may also be a category that requires a division or branch to make a link between their initiative and a goal in the ministry's business plan.

Unfortunately there is barely any public information on this level of planning and indeed, there is nothing mentioned in the 2006-09 Government of Alberta Strategic Plan.

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[682] Ibid., Section on "Introduction."
[683] Ibid., Section on "Link to Ministry Business Plans."

As earlier stated, this level of planning is situated between the individual performance plans and the departmental business plans. For example, as noted in the Alberta Seniors' Annual Report, "Using the ministry business plan as a frame of reference, each division and branch within the ministry developed an operational plan and report on activities and achievements. These plans also form the basis for each employee's individual performance and productivity plans and reports."[685] In one of the few operational plans available on the Government of Alberta's website, a branch in Alberta Environment also makes the link between the government's business plan and individual performance. For example, the operational plan for the Water Management Operations' branch in Alberta Environment includes the link between the departmental and branch plans, information on staff capability and the People Plan in the branch, plans for each program area, and the categories for performance reporting.[686] For performance reporting, the branch's operational plan states that the managers are required to identify work functions and initiatives and indicate if work is generally on track. Further, each manager is to identify "highlights (key achievements) and exceptions (changes in resources, timelines, etc.)."[687] This level of planning is still being developed in the Government of Alberta and not surprisingly, there is little transparency regarding the government's operational planning framework. It also appears that there are no standards in place concerning whether or not to make the operational plans available to the public.

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[684] Ibid.
[685] Alberta Seniors. Government of Alberta. *Alberta Seniors Annual Report*, p. 35. Retrieved on 03 February 2007: http://www.seniors.gov.ab.ca/about_ministry/ABSeniorsAnnualReport_2002p1.pdf.
[686] Water Management Operations, Alberta Environment. Government of Alberta. "Regional Services Operational Planning 2005/06: Water Management Operations' Operational Plan," p. 1. Retrieved 02 February 2007: http://www3.gov.ab.ca/env/water/wmo/pubs/OperationPlan.pdf.
[687] Ibid.

When business plans were first introduced in the Government of Alberta, performance measures and targets were included in each ministry's business plan. The overall performance measurement framework remains the same where a baseline, a measure and target are required for each ministry goal. What has changed is the inclusion of societal measures in the government business plan. According to the Government of Alberta, societal measures are an attempt to recognize the various actors in the province (e.g. individual Albertans, business and industry, communities, not-for-profit groups and other levels of government) who "play an important role in contributing to the province's well-being and influence the results of societal measures."[688] Societal measures are also intended to take into account the broad social, technological, environmental, and economic trends influencing a government's services, programs, and policies. In the 2006-09 Government of Alberta business plan, "societal measures are presented in the business plan with five years of results and the desired results that indicate progress toward the goal."[689] Ideally, the inclusion of both performance measures specific to certain programs and services and the broader societal measures are intended to assist citizens "to assess the current well-being of the province with respect to the goals and whether the government's overall initiatives are effective in contributing to achievement of the goals in the short-term and over time."[690] This can be seen as an improvement when performance measures were first introduced in the sense that there is an attempt to provide both short-term and long-term measures and targets to assess the Government of Alberta's performance.

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[688] Ibid., Section on "Measures."
[689] Ibid.
[690] Ibid.

What these changes demonstrate in the context of public administration research is the need to conduct research on an ongoing basis to identify changes in the business planning process and the reasons why these reforms took place. Although more difficult, it is also important to identify and assess how the changes influence the accountability framework in the Government of Alberta. Indeed, as noted in the following section, to develop a better understanding of the cause-effect relationship between institutional processes and accountability, more research needs to be conducted in Alberta and in other jurisdictions.

6.5 Future Directions for Research

There are numerous works that define and analyze accountability at the international, national, provincial, and municipal levels of government. Further, there is also much written about how accountability is or should be defined within a public sector environment. Increasingly, authors have also explored the different accountability relationships within government such as the relationships between government and citizens, between civil servants and their Minister, between civil servants and citizens, between oversight agencies and the state, and between government and external arms-length agencies and crown corporations. Accountability will remain a popular topic to study given the dynamic political environment and the ongoing efforts to improve our political institutions.

Although much research has been done over the past several decades on accountability, there are still several gaps in Canadian public administration literature. Given that the adoption and implementation of business plans and performance measures is still relatively new in government, few authors have analyzed the relationship between accountability, performance measurement, and business planning. Related, a small number of scholars have assessed the relationship between performance management frameworks (individual performance assessment plans) and accountability from a Canadian perspective although American scholars have written much about the topic in the past decade. While this dissertation contributes to the dearth of research concerning accountability, business planning, performance measurement, and performance management, additional research needs to be conducted in each of these areas as well as research on the relationships amongst them.

Another gap in Canadian public administration literature is the lack of comparative analysis of planning and accountability frameworks between provinces and the federal government and between countries. B. Guy Peters argues that, "if our knowledge of administration in any one country is inadequate, then our lack of knowledge about the comparative dimensions of administration is appalling."[691] One of the challenges to this type of research is that "we still lack the conceptual and operational basis of make sense of a large number of scattered and disparate findings."[692] There has been much written about accountability at the federal level, but little has been written about accountability frameworks, interpretations of accountability, and the influence of procedures, legislation, and structures on accountability at the provincial or territorial level. For example, little is known about what planning processes the Government of Manitoba is currently developing to improve accountability given that the government-wide initiative is not made available to the public at this point in time. Research should be conducted to determine why provinces and territories have developed different or similar ways to plan and measure their performance. For example, undertaking this research could assist the public administration community to develop a better understanding of how a province's political culture, economy, or history may influence how a government develops an accountability framework. Furthermore, it can also assist in developing a better understanding of what processes, structures, and frameworks work and do not work, which would also benefit those in government who are looking for ways to improve their current accountability frameworks.

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[691] B. Guy Peters, *The Politics of Bureaucracy*, p. 2.
[692] Ibid.

Comparing accountability frameworks would also assist in contributing to the contingency approach of researching organizations. Briefly, contingency theory examines the how the external environment can influence how an organization is structured and how it manages and functions. Central to this theory is that there is no best way or universal way to manage or structure an organization.[693] This approach disagrees with arguments put forward by classical theorists such as Max Weber, Henri Fayol, and Frederick Taylor who have contended that there is indeed, one best way for an organization to be structured and managed.[694] Pertinent to this dissertation, contingency theory would then argue that because of the different governing and managing environments, there is no best way to develop an accountability framework. Hence, what may work in the Government of Alberta may not necessarily work in the Government of Manitoba. Contingency theory would be able to explain why there may be variations between the two jurisdictions concerning planning tools, performance reporting, types of performance measures, the use of individual performance management plans, and how accountability is informally or formally defined. Based on the research I conducted on the Government of Alberta, I have recently begun a research project comparing the four provinces in Western Canada with the goal to identify and assess the similarities and differences of the planning and performance measurement processes. A contingency theoretical approach, in that it identifies and values the influence of external values on how an organization is structured, is likely able to explain the variations amongst the provinces in terms of policies, processes, and structures.

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[693] For additional research on contingency theory, see: Paul Lawrence and Jay Lorsch, *Organization and Its Environment* (Cambridge, Mass.: Harvard University Press, 1967).
[694] See Hal Rainey, *Understanding & Managing Public Organizations*. Third edition (San Francisco: Jossey-Bass, 2003), pp. 22-32 for an overview of the classical school of administrative thought.

Specific to performance measurement, prior to 1999, when the interviews for this dissertation were conducted, there were few critical assessments about performance measurement in government. Measuring performance was still relatively a new activity for governments to undertake and hence, what literature was available focused on how to develop performance measures and it mostly catered to developing measures in the private sector. Since 1999, many authors in Canada, Britain, Australia, New Zealand, and the United States have contributed to the expanding the academic literature on performance measurement. As previously discussed in this dissertation, more research needs to be done in the area of performance and accountability. There is a need to test the assumption that performance automatically improves when a government develops or changes its accountability procedures, policies, relationships, or structures. The public administration community needs to determine sound methodological means to assess this relationship taking into account the contextual nature of accountability, the numerous internal and external variables influencing performance, and the political influences concerning accountability and performance.

Related to performance measurement is the need to conduct research in the area of performance management. A great deal of research has been conducted on performance management in the United States but little is written in Canada. First of all, initial research is needed to identify what performance management systems are in place at the federal and provincial levels. Further research needs to be done on the influence of these pay-for-performance systems on other structures and processes in government, the behavior of employees, the monitoring of contracts, the accountability relationship between civil servants and government members, and the performance of employees, services, and programs. Recognizing this gap in Canadian public administration literature, I have been asked to participate in a nation-wide assessment of performance management systems where each province and territory (as well as the federal level of government) will be studied.

One of the major theories in public administration, bureaucratic control theory, examines and assesses how politicians and administrative procedures influence bureaucratic performance. Similar to public choice theory, this has not been a common way to study accountability relationships in Canadian public administration; however, there are many insightful studies that have been conducted from an American perspective that could be used as a template to conduct research from a Canadian context. For example, some American authors have conducted research where the findings demonstrate that civil servants can be responsive to political direction.[695] Conversely, other studies have shown that there is behaviour gap between the goals of politicians and the implementation of such goals. Civil servants, for a variety of reasons, may deliberately resist political control and direction and instead, want to have a certain level of political independence and influence themselves.[696] While there are numerous studies on bureaucratic control, Matthew Potoski argues that within this area of study, "the problem is that no clear picture shows the conditions under which bureaucracies are more politically responsive or autonomous."[697] Potoski further contends that, "we know little about how bureaucratic agencies make decisions in a political environment or how bureaucratic structures affect responsiveness and performance in a variety of settings."[698] It is hoped that through this dissertation, the research findings will contribute to better understanding how a business plan and a performance plan can influence the behaviour of civil servants specifically focusing on how politically responsive or politically autonomous they are.

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[695] For example, see Dan Wood and Richard Waterman, *Bureaucratic Dynamics: The Role of the Bureaucracy in a Democracy* (Boulder, Co.: Westview Press, 1994); Barry Weingast and Mark J. Moran, "Bureaucratic Discretion or Congressional Control? Regulatory Policymaking by the Federal Trade Commission," *The Journal of Political Economy,* Vol. 91: 5 (1983), pp. 765-800.

Finally, there is a need to continue to study how changes in institutional procedures and structures influence a government's goals, values, operations, functions, and management systems and frameworks. The attention paid to institutional processes and structures has been sporadic and lacking within Canadian public administration; however, this state is not unique to Canada. As Donald Kingsley argues, there is a need to study the relationship between administrative procedures and structures and a government's goals and priorities:

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[696] For example, see Steven Balla, "Administrative Procedure and Political Control of the Bureaucracy," *American Political Science Review,* Vol. 92 (September 1998), pp. 663-673; George Krause, "The Institutional Dynamics of Policy Administration: Bureaucratic Influence Over Securities Regulation," *American Journal of Political Science,* Vol. 40 (November 1996), pp. 1083–1121.

[697] Matthew Potoski, "Managing Uncertainty through Bureaucratic Design: Administrative Procedures and State Air Pollution Control Agencies," *Journal of Public Administration Research and Theory*, Vol. 9 (1999), p. 623.

> We have had, in the field of administration, too much synthetic philosophy disguised as a science and not enough examination of the relation of administrative devices and techniques to major political objectives. We need, far more than we have done in the past, to recognize the relativity of means to ends and the escape from the sterile conception that administration is an end in itself or that efficiency and economy are objectives superior to any others that may be sought.[699]

Making this argument over thirty years ago, the public administration field has paid more attention to administrative procedures, but there is much more work to be done. As Boyne et al. argues, "the academic community has not taken seriously the need to evaluate public management reforms.''[700] It is hoped that this dissertation contributes to the study of institutional procedures and structures in Canada.

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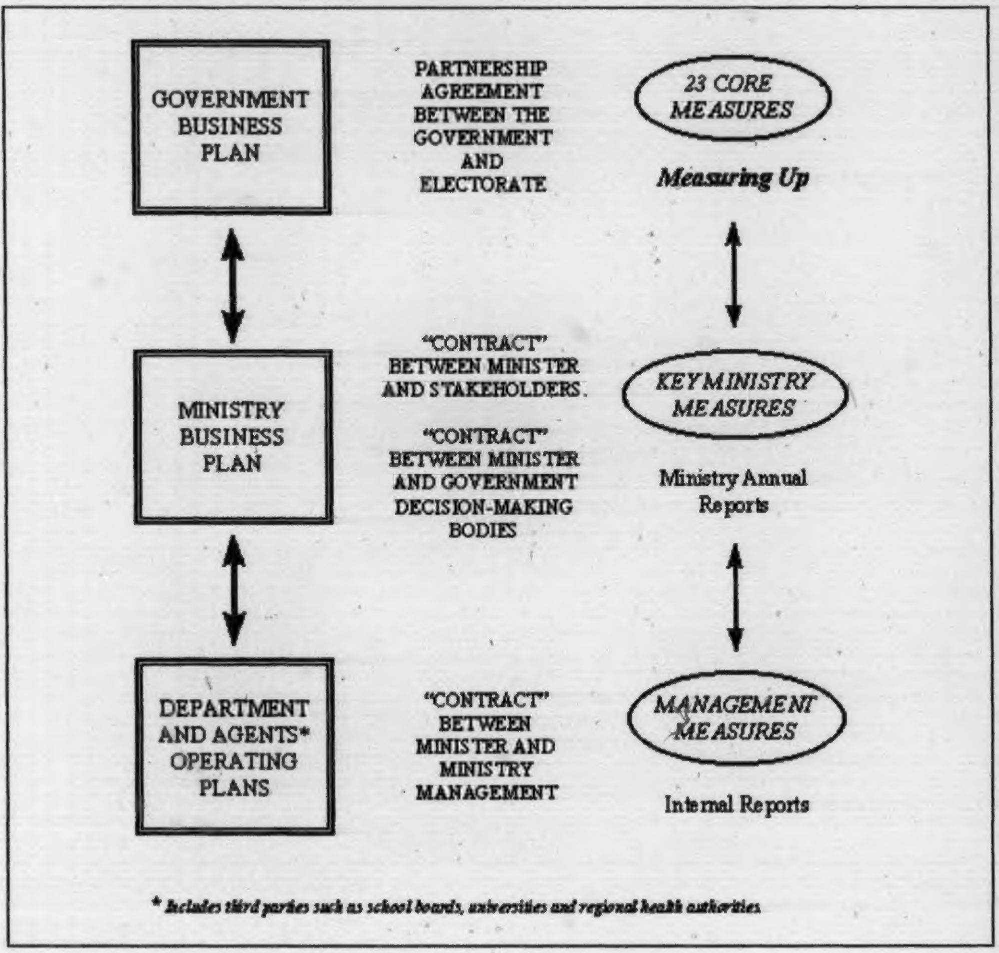
[698] Kenneth J. Meier and George A. Krause, "The Scientific Study of Bureaucracy: An Overview," *Politics, Policy, and Organizations: Frontiers in the Scientific Study of Bureaucracy*, Kenneth J. Meier and George A. Krause, eds. (Ann Arbor, MI.: University of Michigan Press, 2003), p. 15.

[699] J. Donald Kingsley as quoted in V. Seymour Wilson, *Canadian Public Policy and Administration: Theory and Development* (Toronto: McGraw-Hill Ryerson Limited, 1981), p. 427.

[700] George Boyne, Catherine Farrell, Jennifer Law, Martin Powell, and Richard M. Walker. *Evaluating Public Management Reforms: Principles and Practice.* (Buckingham, UK: Open University Press, 2003), p. 3.

Appendix A - Government of Alberta Accountability Framework


GOVERNMENT BUSINESS PLAN
PARTNERSHIP AGREEMENT BETWEEN THE GOVERNMENT AND ELECTORATE
23 CORE MEASURES
Measuring Up
MINISTRY BUSINESS PLAN
"CONTRACT" BETWEEN MINISTER AND STAKEHOLDERS.
"CONTRACT" BETWEEN MINISTER AND GOVERNMENT DECISION-MAKING BODIES
KEY MINISTRY MEASURES
Ministry Annual Reports
DEPARTMENT AND AGENTS* OPERATING PLANS
"CONTRACT" BETWEEN MINISTER AND MINISTRY MANAGEMENT
MANAGEMENT MEASURES
Internal Reports

** Includes third parties such as school boards, universities and regional health authorities*

Source: Department of Finance, Government of Alberta.

Appendix B – List of Interviewees

Categories of interview respondents:

Civil servant (current or retired, senior or executive) –CS
Government member – GM
Politician or staff member in an opposition party – OP
Media – M
Business community – BC
Central agency or legislative office – CA*

* In the dissertation, the CA category was included in the senior or executive civil servant category to protect the identities of the CA interview participants given the small number of participants.

List of interviewees:

Name	Category
1. Mark Anielski	CS
2. Larry Bailer	CS
3. Pam Barrett	OP
4. Gerry Brygidyr	CS
5. Archie Clark	CS
6. Jane Clerk	CS
7. Wayne Clifford	CS
8. Jack Davis	CS
9. Bob Dawson	CS
10. Stockwell Day	GM
11. Jim Dinning	GM
12. Lynn Duncan	CS
13. Clint Dunford	GM
14. Patrick Farrell	CS
15. Don Ford	CS
16. Mary Gibson	CS
17. Richard Goodkey	CS
18. Dave Hancock	GM
19. Mike Harle	BC
20. Michael Harvey	CS
21. Jon Havelock	GM
22. Sharon Heron	CS
23. Darcy Hinton	M
24. Ken Hoffman	CA
25. Tom Hong	CS
26. Walter Hordowick	CS
27. Lennie Kaplan	OP

28. Al Kennedy	BC
29. Perry Kinkaide	BC
30. Grant Kroetsch	CS
31. Jeff Kucharski	CA
32. Oryssia Lennie	CS
33. Mark Lisac	M
34. Nancy MacBeth	OP
35. Tom McLaren	BC
36. Shirley McLellan	GM
37. Elaine McCoy	GM
38. Neil McCrank	CS
39. Greg Melchin	GM
40. Grant Mitchell	OP
41. Ian Montgomerie	BC
42. Eric Newell	BC
43. Garth Norris	CS
44. Julian Nowicki	CS
45. Al O'Brien	CS
46. Sue Olsen	OP
47. Deborah Owram	CA
48. Raj Pannu	OP
49. Walter Paszkowski	GM
50. Mike Percy	BC
51. Randy Petruk	CS
52. Rob Renner	GM
53. Howard Sapers	OP
54. Janet Skinner	CS
55. John Sproule	BC
56. Robb Stoddard	CS
57. Evelyn Swanson	CS
58. Lorne Taylor	GM
59. Celso Terico	CS
60. Rod Thompson	CS
61. Rich Vivone	M
62. Stephen West	GM
63.Marshall Williams	BC

Appendix C – List of Interview Questions

Category - Government Members (current and retired)

Questions:

1. Where did the idea of establishing a business plan for government and each Ministry stem from – politicians, civil servants, private sector, consultants (if yes, which depts.), other governmental jurisdictions? Can you remember when the first discussions started taking place about establishing a business plan?
2. Were there any examples of other government jurisdictions using the business planning method? What framework(s) did you use to assist you in developing the general components of a business plan?
3. Who were the key players in establishing the business planning process? Was there a special committee in place that established the main guidelines/goals? If so, who was on that committee?
4. What support was given to the ministries to assist them in developing business plans?
5. Were there meetings between the government and the civil servants to discuss the new planning process? If so, what were the main issues that were addressed?
6. What was the feedback from the ministries when discussions were taking place?
7. What was the initial feedback from the public (whether individuals or interest groups) about the establishment of the business plans?
8. What were the biggest obstacles in the Alberta Public Service that had to be overcome in establishing business plans?
9. The literature on public sector reform suggests the relationship between the government and the civil service can present itself in two ways. One way is that the business planning process separates the development of policy from the operations thus allowing the "government to govern". Another author states that to have effective reforms, the need to allow for devolution of power is needed thus giving more power to the civil service still though within a prescribed mandate. Which one of these situations applies to the Government of Alberta? Or is it a combination of both authors' points of view?
10. Was there any discussion about the changing relationship between the ministers and the civil servants when the development of the business planning process was taking place?
11. Why were business plans put in place in the Government of Alberta?
12. Did such a management concept complement the wider reforms taking place in the Government of Alberta?
13. What were the goals of developing business plans?

14. What is your general perception of the business planning process – is it successful in reaching the goals that the Government was originally trying to pursue? Accountability? Transparency? Reduction and or streamlining of government services? Building trust in government?
15. Do you find the goals have changed since 1993 – when business plans were first established? If so, have the business plans adequately reflected the change in goals?
16. What roles do the central agencies (Treasury, Auditor General's Office) have in business planning?
17. What role do the Standing Policy Committees have in the business planning process?
18. Do you believe the business planning process strengthens or weakens the concept of ministerial responsibility? Or does it have any effect at all?
19. What were the main challenges that you faced in establishing the business planning process?
20. What were the changes that took place from year to year?
21. What is the relationship between the Ministry and government business plans? Is the Government business plan viewed as the "central" business plan and the ministry business plans viewed as components of the larger government business plan?
22. What are the changes that are needed to improve the business planning process?
23. Can the business planning process be undone?

Category - Premier's Office, Central Agencies

Questions:

1. Why were business plans put in place in the Government of Alberta? Did such a management concept complement the wider reforms taking place?
2. Was this type of planning a reaction to the Getty government and the way it managed?
3. Where did the idea of establishing a business plan for government and each Ministry stem from – politicians, civil servants (if yes, which depts.), other governmental jurisdictions?
4. Was there any apprehension about establishing business plans in a government? If so, what were they?
5. Who were the key players in establishing the business planning process? Was there a special committee in place that established the main guidelines/goals?
6. What support was given to the ministries to assist them in developing business plans?
7. What were the goals of developing business plans?

8. Were you aware of any other government jurisdictions that were using the business planning method? What framework(s) did you use to assist you in developing the general components of a business plan?
9. Do you believe the business planning process strengthens or weakens the concept of ministerial responsibility? Or does it have any effect at all?
10. What is your general perception of the business planning process – is it successful in reaching the goals that you were originally trying to pursue? Accountability? Transparency? Reduction and or streamlining of government services?
11. What was the feedback from the ministries when discussions were taking place?
12. Were there any challenges that the ministries faced that were difficult to overcome from an administrative point of view?
13. Related to this point, there has been much talk about the relationship between the government and the bureaucracy. Do you feel this type of planning process allows the government to have more control over what decisions are made? In other words, that the government makes the decisions – controls the agenda – and each ministry is to incorporate the government's overall goals into their ministry's business plans. One author has noted that "For many in the trenches of government operations, the reality has been viewed as a massive centralization of power using both direct and indirect measures; managers have had fewer resources with which to operate and yet are expected to generate even more in the way of savings but without diminishing the quantity or quality of services." Do you agree with this statement?
14. What was the initial feedback from the public (whether individuals or interest groups) about the establishment of the business plans?
15. Given that most of the ministries are administering client satisfaction surveys, do you believe that this type of planning offers greater potential to provide services that the people want?
16. What roles do the central agencies (Treasury, Auditor General's Office) have in business planning?
17. What role do the Standing Policy Committees have in the business planning process?
18. What were the main challenges that you faced in establishing the business planning process? On a year-to-year basis?
19. What were the changes that took place from year to year?
20. Do you believe that the performance measures in place right now adequately reflect the objectives of your Ministry?
21. Is the business planning process now simply a matter of routine?
22. How are business plans refined?
23. There is quite a bit of literature on the use of language that the government is now using to describe its relationship with the users of the services. Some authors have stated that the use of "customer" should not be used given that the government is responsible not only to the customer but to the wider citizenry. There are others who

state that using such words as "clients" and "customers" makes the government become more focused on satisfying the needs of the user. Do you have a preference about what terminology should be used? Is this important?

Category - Civil Servants (senior/executive, current, transferred, and retired)

Questions: *Due to the unique mandate of each ministry, questions were somewhat tailored to the nature of business of the ministry and the position of each interviewee.*

1. Can you please tell me your position and what Ministry you work in?
2. How long have you worked in your position? What previous positions have you held?
3. How does your current position or previous positions relate to the business planning process?
4. What position did you hold when business planning was first established in your Ministry?
5. What were the initial barriers? Structure? People?
6. How is the business planning process structured in your Ministry? Is there a formal business planning committee?
7. What are the main components of your business plan?
8. Given the mandate of your Ministry, has the business planning process affected the objectives/goals of your Ministry?
9. What is the structure of the business planning process in your Ministry? Who drives the process?
10. What support services were and are in place for you to assist you in developing a business plan? Learning tools? Cross-government communication?
11. What communication/direction do you have with the Executive Office in developing your business plan?
12. What contributions have the Standing Policy Committees made to the business planning process?
13. What communication/direction do you have with Treasury and the Auditor's General in developing your business plan?
14. Do you believe the business planning process strengthens or weakens the concept of ministerial responsibility? Or does it have any effect at all?
15. How has the business plan evolved in your Ministry? What were some of the areas that you found you had to improve upon since your Ministry began this type of planning process?
16. What do you measure? How do you measure?

17. There has been pressure for all the different levels of government to consult with their clients (and even non-clients). Has the business planning process assisted in enhancing communication with your clients? If not, how? If so, how?

18. What do you believe the influence has been on involving interest groups in the business planning process?

19. How has the relationship between politicians and the APS been affected by the business planning process?

20. How does the business plan in the private sector differ from one developed by a government?

21. What do you feel have been the strengths of the business planning process? Specific examples.

22. What have been the challenges that you have faced over the years?

23. What areas still need improvement? Specific examples.

Category – Alberta Treasury/Finance

Questions

1. What is the relationship between Treasury and the Auditor General in terms of monitoring performance in each of the ministries?

2. In the 1997-98 Annual Report (Treasury), the Auditor General recommended "that there be an expansion of the reporting entity." You have noted "this is a very complex issue that has significant implications from both government policy and practical perspectives. It is not clear whether expanding the reporting entity is expected by the public, would add value to our reporting, or be the best practice. A careful review of this issue is ongoing." Why is this a complex issue?

3. Why is the statement "would add value to our reporting" important to Treasury? What does it mean? Related to this, why would it not be the 'best practice'?

4. What role did the Government Reorganization Secretariat have in the business plan process?

5. Do you believe the business planning process strengthens or weakens the concept of ministerial responsibility? Or does it have any effect at all?

6. Did you have any role in the establishment of the business planning process? If so, what was it?

7. Do you provide direction or advice to each Ministry in terms of trying to improve their overall performance? If so, in what areas do you provide advice? If not, why?

8. What changes have taken place in the business planning process since it was first implemented?

9. Are there some ministries that are "farther ahead" than other ministries in the business planning process?

10. Did you establish a business plan at the same time as the ministries?

11. How long did it take for you to develop the first business plan?

12. Given that you provide services mostly to internal clients and that essentially you are the financial watchdog of government, do you feel a stronger pressure to excel in your business planning – especially in the measurement area?

13. If you compare yourself to other government jurisdictions, do you consider the Government of Alberta to be a leader in the business planning process? Do you have much communication with other governments?

Category - Auditor General

Questions:

1. Did you have any role in the establishment of the business planning process? If so, what was it?

2. What is the relationship between Treasury and the Auditor General in terms of monitoring performance in each of the ministries?

3. Do you provide direction or advice to each Ministry in terms of trying to improve their overall performance? If so, in what areas do you provide advice? If not, why?

4. What changes have taken place in the business planning process since it was first implemented? (in each of the ministries)

5. Are there some ministries that are "farther ahead" than other ministries in the business planning process?

6. Do you believe the business planning process strengthens or weakens the concept of ministerial responsibility? Or does it have any effect at all?

7. Did you establish a business plan at the same time as the ministries?

8. How long did it take for you to develop the first business plan?

9. Given that you provide services mostly to internal clients and that essentially you are the watchdog of government, do you feel a stronger pressure to excel in your business planning?

Category – Opposition Party Members

Questions:

1. When did the members of the Opposition learn about the business planning process?

2. Was there a reaction to this method of planning? If so, can you remember what it was?

3. Has there ever been an official response to the business planning process?

4. Do you feel this type of planning reduces or enhances participation from outside the government?

5. Do you believe the business planning process strengthens or weakens the concept of ministerial responsibility? Or does it have any effect at all?
6. What do you believe the pros and the cons to be of the business planning process?
7. If elected as the government, would you keep this method of planning? If not, what type of planning would you implement?
8. There has been some discussion in the public sector reform literature that many of the reforms, including the establishment of the business planning process, has affected the relationship between the Minister and the civil servants in his/her ministry in terms of accountability. Do you find that the business planning process has allowed the government to make the plans, but if they should "fail", then they "blame" the civil servants for not properly implementing the goals of government? Are there any examples of this?
9. Do you use the business plans to ensure that the government is doing what they are saying?
10. Have you noticed any changes that have taken place since the Government has established the business planning process? Did the Liberals (NDP) have a response to the establishment of the business planning process?

Category - Media

Questions:

1. What is your background and how familiar are you with business planning and more generally, the Klein revolution?
2. How would you define the Klein revolution?
3. What are differences between Lougheed, Getty, and Klein?
4. Why do you think business plans were implemented?
5. How do you think business plans have influenced the relationship between civil servants and government members? Between the state and government?
6. How have the business plans influenced accountability?
7. How would you define accountability?
8. Do you feel this type of planning reduces or enhances participation from outside the government?
9. Do you believe the business planning process strengthens or weakens the concept of ministerial responsibility? Or does it have any effect at all?
10. What do you believe the pros and the cons to be of the business planning process?
11. Specific to the role of the media, have you discussed business plans, performance measurement, or accountability in the past? If so, in what context?

12. Do you regularly read and comment on the material in the business plans or performance reports?
13. Given your position, how aware do you think the public is of business plans, performance measures, and performance reports?
14. What should the role of the media be concerning reporting on business plans and performance reports?

Category - Business Community

Questions:

1. What is your background and how familiar are you with business planning and more generally, the Klein revolution?
2. How were you involved in the business planning process? Committees? Consulting? Previously worked for government?
3. How would you define the Klein revolution?
4. What are differences between Lougheed, Getty, and Klein?
5. Why do you think business plans were implemented?
6. How does the business plan in the private sector differ from one developed by a government?
7. How do you think business plans have influenced the relationship between civil servants and government members? Between the state and government?
8. How have the business plans influenced accountability?
9. How would you define accountability?
10. Do you feel this type of planning reduces or enhances participation from outside the government?
11. Do you believe the business planning process strengthens or weakens the concept of ministerial responsibility? Or does it have any effect at all?
12. What do you believe the pros and the cons to be of the business planning process?
13. What improvements need to be made to the business planning process?
14. Do you think the business community was consulted enough or not enough at the beginning of Klein's term about the changes that were made to planning and management and operations in general?

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